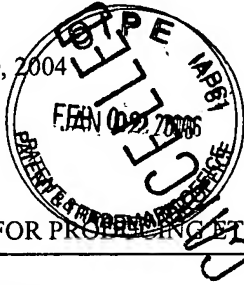


02-03-06

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: LEWIS ET AL. Examiner: UNKNOWN  
Serial No.: 10/798,226 Group Art Unit: 1761  
Filed: MARCH 10, 2004 Docket: 14263.2USU1  
Confirmation No.: 3484 Notice of Allow. --  
Due Date: -- Date:  
Title: METHOD FOR PRODUCING ETHANOL USING RAW STARCH

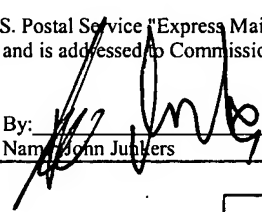


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**CERTIFICATE UNDER 37 CFR 1.10:**

"Express Mail" mailing label number: EV 639595103 US  
Date of Deposit: February 2, 2006

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By:   
Name: John Junkers

Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

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PATENT TRADEMARK OFFICE

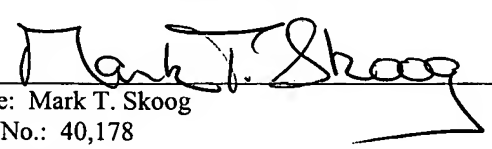
Sir:

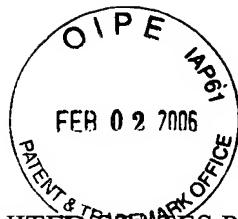
We are transmitting herewith the attached:

- ☒ Transmittal Sheet in duplicate containing Certificate of Mailing
- ☒ Check(s) in the amount of \$130.00 for PETITION TO MAKE SPECIAL
- ☒ Other: PETITION TO MAKE SPECIAL UNDER 37 CFR 1.102(c)(2)(i) and STATEMENT UNDER 37 CFR 1.102, with Exhibits
- ☒ Return postcard

Please consider this a PETITION FOR EXTENSION OF TIME for a sufficient number of months to enter these papers or any future reply, if appropriate. Please charge any additional fees or credit overpayment to Deposit Account No. 13-2725. A duplicate of this sheet is enclosed.

Merchant & Gould P.C.  
P.O. Box 2903  
Minneapolis, MN 55402-0903  
612.332.5300

By:   
Name: Mark T. Skoog  
Reg. No.: 40,178  
MTSKoog:kf



S/N 10/798,226

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: LEWIS ET AL. Examiner: UNKNOWN  
Serial No.: 10/798,226 Group Art Unit: 1761  
Filed: MARCH 10, 2004 Docket No.: 14263.2USU1  
Title: METHOD FOR PRODUCING ETHANOL USING RAW STARCH

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By:   
Name: John Junkers

PETITION TO MAKE SPECIAL UNDER 37 C.F.R. § 1.102(c)(2)(i)  
AND/OR 37 C.F.R. § 1.102(c)(2)(ii)

Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450



Dear Sir:

Applicants respectfully request that Application Serial No. 10/798,226 be examined on an expedited basis by way of grant of this Petition. Applicants submit that the invention materially enhances the quality of the environment of mankind by contributing to the restoration or maintenance of the basic life-sustaining natural elements. Applicants further submit that the present invention materially contributes to the discovery or development of energy resources. Accordingly, this application can be made special under the provisions of 37 C.F.R. § 1.102(c)(2)(i), as well as, or in the alternative, under the provisions of 37 C.F.R. § 1.102(c)(2)(ii). This Petition is supported by a Statement Under 37 C.F.R. § 1.102, submitted herewith.

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**I. Subject Matter of the Application**

The present application relates to a method for producing ethanol using raw starch. This method omits the energy intensive step of cooking the starch. The method can produce high levels of alcohol (e.g., at least 18 vol-% ethanol) during fermentation of plant material. Broin & Associates, the assignee of the present application, employs an embodiment of the claimed method for producing fuel ethanol on an industrial scale. Applicants believe that this embodiment of the presently claimed invention provides the first commercially viable method for producing fuel ethanol using raw starch.

The invention also includes methods for producing high protein distiller's dried grain from fermentation of plant material, the high protein distiller's dried grain produced, and to reduced stack emissions from drying distillation products from the production of ethanol.

**II. 37 C.F.R. § 1.102(c)(2)(i) – Enhancing the Quality of the Environment**

This application clearly shows on its face that it materially enhances the quality of the environment by contributing to the restoration or maintenance of one of the basic life-sustaining natural elements. See MPEP § 708.02 V. For example, claim 37 recites a process of drying distillation, where the second element of the claim is “producing reduced stack emissions of 1.47 or less pounds of volatile organic compounds per ton of corn.” As noted at page 27, lines 22 - 26 of the specification, this corresponds to at least a 30% reduction in emissions relative to a conventional fermentation process. Thus, claim 37 is directed to a process that lowers pollution of the air, and therefore contributes to the restoration or maintenance of a basic life-sustaining natural element (i.e., air).

**III. 37 C.F.R. § 1.102(c)(2)(ii) – Contributing to the Discovery or Development of Energy Resources**

Applicants believe that it is clear from the application disclosure that the claimed invention materially contributes to the discovery or development of energy resources. See MPEP § 708.02 VI, Category A. Nevertheless, Applicants have also submitted an accompanying Statement under 37 C.F.R. § 1.102 explaining how the materiality standard is met. As shown in the accompanying Statement, the production of fuel ethanol has been

S/N 10/798,226  
PETITION TO MAKE SPECIAL UNDER 37 C.F.R. § 1.102(c)(2)(i)  
AND/OR 37 C.F.R. § 1.102(c)(2)(ii)

recognized by the President, Congress, and Department of Energy as important to our nation's energy security. An embodiment of the methods for ethanol production as described and claimed in this application is currently being used commercially for producing fuel ethanol and meets this identified need. Therefore, the claimed invention materially contributes to the discovery or development of energy resources.

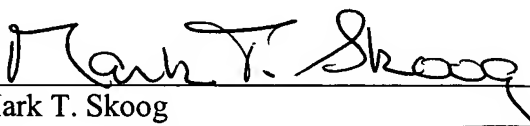
#### **IV. Conclusion**

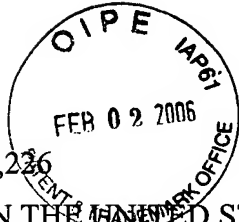
From the above comments and the submitted Statement, that Applicants' Petition meets the requirements of both 37 C.F.R. § 1.102(c)(2)(i), and 37 C.F.R. § 1.102(c)(2)(ii). Accordingly, grant of this Petition is proper. On this basis, Applicants respectfully request expedited prosecution of the present application.

Respectfully submitted,

MERCHANT & GOULD P.C.  
P.O. Box 2903  
Minneapolis, Minnesota 55402-0903  
(612) 332-5300

Date: Feb 2, 2006

  
Mark T. Skoog  
Reg. No. 40,178



S/N 10/798,226

PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant:	LEWIS ET AL.	Examiner:	UNKNOWN
Serial No.:	10/798,226	Group Art Unit:	1761
Filed:	MARCH 10, 2004	Docket No.:	14263.2USU1
Title:	METHOD FOR PRODUCING ETHANOL USING RAW STARCH		

CERTIFICATE UNDER 37 CFR 1.10:

"Express Mail" mailing label number: EV 639595103 US  
Date of Deposit: February 2, 2006

I hereby certify that this paper or fee is being deposited with the U.S. Postal Service "Express Mail Post Office to Addressee" service under 37 CFR 1.10 on the date indicated above and is addressed to Commissioner for Patents, P.O. Box 1450, Alexandria, Virginia 22313-1450.

By:   
Name: John Jenkins

**STATEMENT UNDER 37 C.F.R. § 1.102**  
**THAT THIS INVENTION WILL CONTRIBUTE TO THE DEVELOPMENT OR**  
**CONSERVATION OF ENERGY RESOURCES**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450



Dear Sir:

This Statement under 37 C.F.R. § 1.102 is in support of Applicants Petition to Make Special for Application Serial No. 10/798,226, submitted herewith, on the basis that the invention provides a material contribution to the discovery or development of energy resources. See MPEP § 708.02 VI, Category A.

**I. Importance of Fuel Ethanol Production**

President George W. Bush has described the importance of ethanol to our nation's energy security on several occasions (Exhibits A-D). This week, the President used his State of the Union Address to declare the importance of "cutting-edge" methods for ethanol production (Exhibit E). These Exhibits include transcripts and journalists' accounts of speeches by the President marked to show those portions relating to the importance of ethanol to our nation's energy security.

Congress recognized the importance of ethanol in the Energy Policy Act of 2005, which includes one Title and several sections promoting ethanol as a fuel (Exhibit F). For example Title XV of the Act is entitled ETHANOL AND MOTOR FUELS. *Id.* The Act increases the amount of ethanol that must be mixed with gasoline sold in the United States to triple the current requirement (7.5 billion gallons by 2012) (Wikipedia entry for Energy Policy Act of 2005, Exhibit G). The Act also provides \$1.3 billion in tax incentives for alternative motor vehicles and fuels, such as ethanol. *Id.* President Bush heralded passage of this Act as leading “to a greater diversity of fuels for cars and trucks”, for including “tax incentives for producers of ethanol and biodiesel”, and making America “less dependent on foreign sources of energy” (Exhibit H).

The Department of Energy (DOE) focuses significant efforts on ethanol production through its Office of Energy Efficiency and Renewable Energy. The first and third priorities of this Office require reducing dependence on foreign oil and increasing the viability and deployment of renewable energy technologies (Exhibit I). The Office’s Biomass Program acts on these priorities and has major efforts on ethanol production (Exhibits J-L).

## **II. The Claimed Invention Provides for Industrial Scale Production of Fuel Ethanol**

The above establishes that the President, Congress, and Department of Energy recognize ethanol production as important to our nation’s energy security. Broin & Associates, the assignee of the present application, employs an embodiment of the claimed method for producing fuel ethanol on an industrial scale. Applicants believe that this embodiment of the presently claimed invention provides the first commercially viable method for producing fuel ethanol using raw starch. Thus, the claimed invention is employed to provide for our nation’s energy security.

S/N 10/798,226  
STATEMENT UNDER 37 C.F.R. § 1.102  
THAT THIS INVENTION WILL CONTRIBUTE TO THE  
DEVELOPMENT OR CONSERVATION OF ENERGY RESOURCES

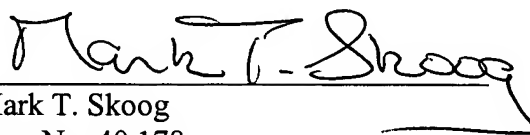
### **III. Conclusion**

As established by the evidence above, the claimed invention materially contributes to the discovery or development of energy resources. Accordingly, Applicants respectfully request that Application Serial No. 10/798,226 be made special under the provisions of 37 C.F.R. § 1.102(c)(2)(ii) and be examined on an expedited basis.

Respectfully submitted,

MERCHANT & GOULD P.C.  
P.O. Box 2903  
Minneapolis, Minnesota 55402-0903  
(612) 332-5300

Date: Feb 2, 2006

  
Mark T. Skoog  
Reg. No. 40,178



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For Immediate Release  
Office of the Press Secretary  
April 24, 2002

## President Discusses Ag, Trade in South Dakota

Remarks by the President on the Farm Bill and Trade Promotion Authority  
Dakota Ethanol Plant  
Sioux Falls, South Dakota

2:32 P.M. CDT

THE PRESIDENT: Thank you all. Please be seated. Ron, I want to thank you very much. I thought Washington was where it got a little windy. (Laughter.) You've got to remember, I was raised in West Texas -- I'm kind of used to the wind. It reminds me of home.

President's Remarks  
[view](#)  
[listen](#)

I want to thank you all for a warm welcome. Thank you for being so gracious. Ron, thank you very much for hosting us here. I appreciate the briefing I had and the chance to meet with some of your fellow citizens in South Dakota, a chance to talk about ag policy. And I want to thank all those for coming, as well.

I appreciate so very much Secretary of Agriculture Ann Veneman traveling with me today. I'm proud of the job Ann is doing. She's a great leader for the Ag Department. She understands farmers, understands farming, and she's doing America a fine job. (Applause.)

I want to thank your Governor for coming. Janklow and I have been friends for a long time. I was a governor of Texas, he was a governor of South Dakota. And he kept telling me what to do all the time when I was around him. (Laughter.) But I appreciate you being here, Governor. Thank you very much. (Applause.)

We share something in common -- we both married above our heads. (Laughter.) I'm sorry my wife isn't with me. I had the honor of saying hello to the First Lady of South Dakota at the steps of Air Force One. I bring up Laura because I can't tell you how proud I am of her. She is -- you know, when I married her, she was a public school librarian who really didn't like politics, and didn't care for politicians, either, I might add. (Laughter.) And she has been such a calm and steady influence for the country and she's come a long way from a public school librarian to a great First Lady. I'm real proud of her. (Applause.)

I want to appreciate the Senate Majority Leader, Tom Daschle, for being here today. Tom, I'm honored -- (applause.) I'm honored you'd come. And Tom and I have spent some quality time together. I invite him to the Oval Office for breakfast. He doesn't eat much, I want you to know, which is good for my wallet. (Laughter.) But I appreciate working with him, and I also appreciate Senator Tim Johnson being here, as well. Thank you, Tim, for coming. (Applause.)

As well, we're honored to have the only Congressman from the state of South Dakota, John Thune. Thank you for being here, John. (Applause.)

I want to spend some time talking about agriculture and the importance of agriculture for our country. But, before I do, I want to tell you about the war. I want you to know that we're fighting against killers, cold-blooded murderers, and they still want to hurt us. I -- Bill Janklow and I were talking coming in about what he has done to help secure the homeland here in South Dakota. And, for that, I am grateful, and you need to be. He takes it seriously. He is on top of the situation here in South Dakota.

And I believe that around the country we're making great progress toward making our homeland more secure. We've got to do a better job of understanding who's coming into our country and why they're coming in, and if they're going out when they're supposed to be going out. We've got a good amount of money in the budget, as Senator Daschle can tell you, to make sure that our first responders are ready, should something happen. We've got a good initiative on bioterrorism that we're working on, to make sure the homeland is secure.

But the best way to secure the homeland is to chase these murderers down, one by one, and bring them to justice. And that's exactly what America is going to do. (Applause.)

The reason I tell you that is it's important for you to know that this war to secure our homeland and to protect freedom is not going to end anytime soon. I don't have a calendar on my desk that says, by such and such a date we're going to quit. That's not how I think -- much to the chagrin of the enemy. I don't know what they were thinking when they attacked America. They must have thought we were so materialistic, so self-centered, so weak that all we were going to do was to file a lawsuit. They found out we don't file lawsuits when it comes to defending freedom. We send our United States military. (Applause.)

And I've submitted a budget to the United States Congress that says our defense is the number one priority. It's a big increase, no question about it. But my attitude is we're in it for the long haul. And we must send that signal not only to the enemy, but to our coalition partners. And secondly, anytime we commit a U.S. citizen who wears our uniform to combat, or in harm's way, they must have the best equipment, the best training, the best pay possible. The price of freedom's high, but as far as I'm concerned, it's not too high, and we're going to pay it.



And there's no cave deep enough for them to hide. We're going to get 'em one by one, because this nation is patient and we're plenty tough when it comes to defending our country. (Applause.)

But it's also important to know that we're a compassionate nation, as well. I remind our citizens, particularly the young, that we don't seek revenge; we seek justice. And when we went into Afghanistan to uphold the doctrine that said, if you harbor a terrorist, you're just as guilty as the ones that came to kill America, and routed out the Taliban, we didn't go in there as conquerors, we went in as liberators. We freed people from the clutches of one of the most barbaric regimes ever. And now, thanks to the United States of America and our coalition partners, young girls go to school in Afghanistan. (Applause.)

We've got a lot of work to do on the war front. We've got a lot of work to do on making sure that Afghanistan is a viable nation which can defend herself, and is a good neighbor in an important part of the world.

And so you just need to know that I am proud of America, I'm proud of the fact that we're unified. This isn't a Republican war, this isn't a Democrat war; this is an American war. And our country is unified, and we are strong and we are resolved. And that makes this President and I know it makes the members of the Congress feel really good. (Applause.)

And we have work to do at home, as well. The enemy, when they hit us, did affect our economy. And there's no question about that. And my attitude is anybody who wants to work who can't find work, we've got a problem in the economy. And there was a lot of people who wanted to work who couldn't find work.

What I thought was necessary was to cut the taxes on the people who work. See, my attitude is if you get people more money, they increase demands for good and services. When they increase demand for goods and services, somebody produces the goods and services. And when somebody produces the good and services, somebody's going to have a job to produce the goods and services. For the good of the jobs in America, cutting taxes and passing an economic -- and signing an economic stimulus bill was good. It was good for the country. (Applause.)

And part of the tax relief package was the repeal of the death tax. (Applause.) The death tax is particularly tough on South Dakota and Texas farmers, or anybody who farms or ranches. It's a tax that keeps taxing somebody's assets over and over again. You know, it's this -- you get taxed by the income tax, you die, you keep paying taxes even after you're dead. It's not a fair tax. And we got rid of it.

Except for, there's a quirk in the rules in the United States Senate that means that after 10 years, it's conceivable that the death tax doesn't go away. The House made the repeal of the death tax permanent. I saw that Senator Daschle is going to bring that to a vote on the floor of the Senate, for which I am grateful. It is time to get rid of the death tax forever. (Applause.)

American agriculture is incredibly important for our economic vitality. I -- when I was the governor of Texas, I had the honor of being the governor of the second largest farm state in the Union. I'm heading to Crawford after tonight. It's not a very big town; almost everybody there is in agriculture business.

Like you all, I like to -- I used to like to go down and sit around the coffee shop. They don't let me go down to the coffee shop anymore. (Laughter.) But I think I got a pretty good handle on the importance of agriculture for the future of this country. And one of the most important ways to make sure the agriculture economy is strong is to promote value-added processing. (Applause.)

I said when I was running for President, I supported ethanol, and I meant it. (Applause.) I support it now, because not only do I know it's important for the ag sector of our economy, it's an important part of making sure we become less reliant on foreign sources of energy. (Applause.) I appreciate Senator Daschle working on the RFS standard.

And I appreciate John Thune working on the bio-energy rebate program, to make sure that we help increase, on the one hand, the demand for ethanol, and on the other hand, the supply of ethanol. It's good public policy for America. It's good for our air, it's good for our economy, and it's good for our national security. (Applause.)

Thank goodness we're self-sufficient in food. But we're not so self-sufficient in energy. And pretty soon they're going to get an energy bill to my desk, and I look forward to signing it. On the one hand, it's going to encourage more conservation. On the other hand, hopefully it will spur not only the development of renewables, but more oil and gas at home. And the two are not mutually exclusive. The less reliant we are on foreign sources of crude oil, the better off we are in America. (Applause.)

I mentioned we're self-sufficient in food, and that's good. And we generally produce more than we need here at home. And if that's the case, it seems like we ought to figure out how to sell more of it overseas. (Applause.) The more markets that are open for U.S. farmers and ranchers, the better off our economy will be.

It is important that this nation embrace free and fair trade. It is important that we understand that when we're good at something -- and we're the best farmers and ranchers in the world -- we ought to work to open up markets to sell our products all across the world. (Applause.)

And I will tell you the days are over with, with American ag kind of being shunted aside when it comes to international trade agreements. We need to keep American ag in the forefront of trade agreements. It ought to be the cornerstone of international trade policy. And that's been my record thus far as the President, and it will be my record so long as I am the President. (Applause.)

I understand that the Senate is getting to take up a trade bill, for which I'm grateful. I look forward to getting that bill to my desk. It's important to get it passed and to get it moving. And it's important to get a farm bill to my desk, as well. We need good farm legislation. It's -- the farm bill needs to get done quickly so that the farmers who are out there fixing to plant know what the rules of the game is.

And we can do it. We need to put aside all the posturing, all the noise, and for the good of American agriculture, get a trade bill to my desk and get a farm bill to my desk. (Applause.)

I want you to know that this great country is going to make the right decisions when it comes to peace, is going to make great decisions when it comes to how to bolster our economy, and make sure we understand that a strong ag sector is good for America, good for everybody in America. But this country is also going to stand squarely in the face of evil, and here's how. We're going to love our neighbor like we'd like to be loved ourself, and show the world that good overcomes evil every single time. (Applause.)

We can not only boast of a strong military and hopefully a vibrant economy all across the country, but we can do small acts of kindness that, in their aggregate, in their total, defines the true nature of America. You know, when you go to your Sunday school or your synagogue or mosque, and vow to help somebody in need, you're really helping define the face of America. When you mentor a child who seems lost or hopeless, you're helping to define America. When you teach in a classroom, when you love your children and you tell your children you love them every day, that's part of making sure that America is as compassionate as can be.

No, the enemy hit us, but out of this evil is going to come some incredible good. Out of this evil is going to come a nation that will be stronger, more resolved, tougher, but also more loving.

I believe that the country is on the verge of changing the culture which for years has said, if it feels good, just go ahead and do it, and, if you've got a problem, blame somebody else, to a day in which each of us understand we're responsible for the decisions we make in life; that we're responsible for something greater than ourselves.

That came home to me on Flight 93, when Americans were on an airplane, they got the word that they were -- the enemy was going to use the airplane as a weapon. They got on cell phones and told their loved ones good-bye; they said a prayer; they drove the plane into the ground to save somebody else.

It's the America that I know, and it's the America that I love that was represented in that act. And that happens every day. It happens every day here in South Dakota. It happens every day in states and communities across the country. That willingness to serve something greater than yourself is such a wonderful part of the American character.

And my call to you is, if you want to fight evil, do some good. Love a neighbor just like you'd like to be loved yourself. It's happening all across America. Because, folks, I happen to be the President of the greatest nation on the face of the Earth because of our people. God bless you all. (Applause.)

END 2:55 P.M. CDT

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Bush pledges support for development of ethanol

By STEVE YOUNG  
Argus Leader

published: 4/25/02

WENTWORTH -President Bush came to an ethanol plant in eastern South Dakota on Wednesday afternoon to endorse that industry and to call for agriculture "to be the cornerstone" of America's international trade policy.

Speaking to a crowd of 1,000 invited guests and media inside a grain warehouse at the Dakota Ethanol plant 35 miles northwest of Sioux Falls, Bush left little doubt about his support for renewable fuels.

"I said when I was running for president, I support ethanol, and I meant it," the president said. "I support it now because not only do I know it's important for the ag sector of our economy, it's an important part of making sure we become less reliant on foreign sources of energy."

Bush also said the days of U.S. agriculture being pushed aside when it comes to international trade agreements are over.

"We need to keep American ag in the forefront of trade agreements," Bush said. "It ought to be the cornerstone of international trade policy. And that's been my record thus far as the president, and it will be my record so long as I am president."

Bush's words generally drew praise afterward, as did his dialogue with state producers and ag-related industry officials at a private round-table discussion at the plant before his speech.

But Democratic senators Tom Daschle and Tim Johnson of South Dakota said they were disappointed in issues Bush did not address. The president said nothing publicly about a packer ban on ownership of livestock, or on requiring country-of-origin labeling of meat, fruits and vegetables -both provisions in the Senate farm bill.

"I didn't expect the president to go into great details about the farm bill," Johnson said. "But I'm disappointed in his expressed opposition to country-of-origin labeling."

Nor did Bush address the Senate farm bill's higher loan rates, or the updating of bases and yields, said Daschle, the Senate majority leader.

"His active involvement would be helpful," Daschle said. "Obviously, the more aggressive the president can be on these issues, the more helpful it will be."

The farm bill is being debated in a House-Senate conference committee.







At the private round-table session, which lasted about half an hour, Bush offered a few thoughts on why he wasn't able to support country-of-origin labeling, said South Dakota Farm Bureau President Richard Kjerstad.

"He said he had reservations about it because he didn't know how you could track the process," Kjerstad said. "It's one of those issues that sounds good on paper, he said, but it would be hard to enforce."

U.S. Rep. John Thune, who is running against Johnson for his Senate seat, said he thinks Bush is anxious to get the farm bill finalized quickly. The differences between the House and Senate versions of the bill are not that significant, Thune said.

"Hopefully, we will have something positive to report real soon," Thune said. "Once we do, the president will sign it. So we need to put the politics aside and do the right thing for South Dakota farmers and ranchers."

At the private round-table discussion before Bush's speech, many of the 14 producers and ag industry officials who participated said they were impressed with the president's give and take.

BUSH IN SOUTH DAKOTA
 <a href="#">Bush touts Thune, corn and country</a>
 <a href="#">Bush pledges support for development of ethanol</a>
 <a href="#">Wentworth relishes brief spotlight</a>
 <a href="#">\$2,000 buys 18 minutes; \$4,000, a photo</a>
 <a href="#">Students, Girl Scouts, politicians share thrill</a>
 <a href="#">Lions Club member wonders if Bush got invite to pancake feed</a>
• LOCAL NEWS FRONT

Jeff Broin, chief executive officer of Broin Cos., which built the Dakota Ethanol plant, said everyone who participated had a chance to speak with the president.

"It was a great dialogue. I really enjoyed it," Broin said. "He was very supportive of the energy bill, and of the renewable fuels standard" that Daschle and Johnson authored.

That standard sets a minimum percentage for renewable fuels content in motor fuel sold in the United States. The minimum percentage increases annually during a decade, leading to the tripling of ethanol demand, Daschle said.

In his speech, Bush said he appreciated Daschle's work on the fuels standard. The president also said he appreciated Thune's work on a bioenergy rebate program.

"It's good public policy for America ... to make sure that we help increase, on the one hand, the demand for ethanol, and, on the other hand, the supply of ethanol," Bush said. "It's good for our air. It's good for our economy. And it's good for our national security."

The president said he looked forward to signing an energy bill that would include a reliance on renewable fuels.

"On the one hand, it's going to encourage more conservation," Bush said of an energy bill. "On the other hand, hopefully it will spur not only the development of renewables but more oil and gas at home.

"And the two are not mutually exclusive. The less reliant we are on foreign sources of crude oil, the better off we are in America."

In that vein, Johnson said he wished the president would reverse his position on eliminating the Agriculture Department's Bioenergy Program.

That effort has helped eligible facilities in South Dakota receive reimbursement from USDA for new or increased purchases of corn, soybeans and other biomass commodities used to produce ethanol and biodiesel, Johnson said.

"The president could reauthorize this significant program with a stroke of his pen but hasn't," Johnson said.

As for the pending trade bill, Bush said America needs to figure out how to sell more of the food it produces to markets overseas. The more markets open to U.S. farmers and ranchers, the better off the American economy will be, he said.

Bob Metz of the South Dakota Soybean Association said he has been impressed with the president's efforts so far in pushing open those foreign markets.

On a recent trip to China, Bush made agriculture his No. 2 issue with the Chinese, right after the war against terrorism, Metz said.

Specifically, the president helped to ease a ban China had imposed on some American soybeans, Metz said.

"He pushed to get soybeans moving into that country again, which they are," Metz said. "So when he talked about agriculture being the cornerstone of his trade negotiations, I know he means it."

Daschle, Johnson and Thune said they hoped the farm bill can be ironed within the next week. And Bush said it's important for him to get the bill on his desk as quickly as possible.

"It needs to get done quickly so that the farmers who are out there fixing to plant know what the rules of the game are," the president said.

Betty Fiegen, who farms with her husband near Dell Rapids and was part of the crowd at the ethanol plant, said she wished Bush would have given more specifics as far as his goals with the farm bill.

She was hoping for assurances that the federal government is going to do something about depressed livestock prices. Cattle markets have fallen 16 percent in the past month, cattlemen said Wednesday.

"We all need better prices," Fiegen, 44, said. "We can't remain out here if prices don't get any better. I really would've liked to have heard more specifics about his policy because prices for farmers right now are in the dump."

But William Orton, a semi-retired farmer from the Rutland area, said he was satisfied with what Bush had to say.

"We need to have his support on ethanol and the farm bill, and I think we do," Orton said. "What he said on ethanol, I think he's right on top of that."

Reporter Kevin Dobbs contributed to this report. Reach Steve Young at [syoung@argusleader.com](mailto:syoung@argusleader.com) or 331-2306.

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**Bush gives boost to ethanol**

By [Mark Steil](#)  
 Minnesota Public Radio  
 April 25, 2002

President George Bush touched on several agricultural issues during his half-day visit to South Dakota. He traveled to the small town of Wentworth, north of Sioux Falls, to visit an ethanol fuel plant. Dakota Ethanol turns about \$14 million bushels of corn into some fourty million gallons of fuel annually. Most of that ethanol will be blended with gasoline.

Critics say ethanol is a waste of taxpayer dollars. Ethanol producers receive a federal tax break. But farmers love the corn-based fuel. Ethanol production uses a lot of corn. That boosts the price of the grain. Farmers in the crowd at Wentworth were happy to hear the president renew his support for ethanol.

"It's good public policy for America. It's good for your air, it's good for our economy and it's good for our national security," President Bush said. "Thank goodness we're self-sufficient in food. But we're not self-sufficient in energy. The less reliant we are on foreign sources of crude oil, the better off we are in America."

John Fiegen was one of the farmers who came to listen to the president in Wentworth. Fiegen's a stockholder in the Dakota Ethanol plant. He appreciated the president's strong support of ethanol. But he was disappointed Bush didn't come out in favor of expanded ethanol production. There is a bill in the senate which could triple ethanol output over the next decade. Fiegen says the agricultural economy is so poor farmers need all the federal help they can get.

"He (the president) wants more money for defense... So, I want more money for ethanol, I want more money for livestock, I want more money for the farmer's.... a grain price," Fiegen said.

Congress is working on a new Farm Bill which will determine how big a federal subsidy farmers will receive in the coming years. Last year on some Minnesota farms, federal dollars made up nearly all of the farmers profit. During his South Dakota visit, President Bush urged Congress to finish work on the legislation.

"The farm bill needs to get done, quickly," Bush said. "So that the farmers who are out there fixing to plant know what the rules of the game is. And we can do it. We need to put aside all the posturing, all the noise and for the good of american agriculture get a trade bill to my desk and get a farm bill to my desk."

That comment may have been aimed at Senate Majority Leader Tom Daschle. The South Dakota senator was in the audience as Bush spoke in Wentworth. Daschle later said the farm bill could be finished soon.

"Right now I would say that there is an outside possibility we could complete our negotiations this week. I think that we've made good progress in the last couple of days. In fact when I get back tonight we're going to go back into negotiations," said Daschle.

Daschle says there are several key areas still to be addressed. One is what's called "country of origin labeling". That would tell consumers where they food they buy, is produced. Many U.S. farmers believe shopper will choose to buy American. Another is a proposal to ban meatpackers from owning livestock. Crop support subsidies are another sticking point.

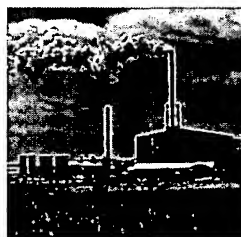
Senate Majority Leader Tom Daschle and President Bush didn't make any progress on their personal differences over those issues yesterday in South Dakota. Daschle says the two didn't have time to do much more than say "hello".

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President Bush expressed support for production of ethanol during a visit to an ethanol plant in South Dakota Wednesday. He also pleased the farm crowd by calling for a repeal of the inheritance tax. [Listen to his speech.](#)  
 (MPR Photo/Mark Steil)



This ethanol plant in Wentworth, S.D., was one location visited by President Bush on Wednesday. Bush spoke with local farmers in a roundtable discussion before his speech.  
 (MPR Photo/Mark Steil)



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For Immediate Release  
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June 15, 2005

## President Discusses Energy Policy

Ronald Reagan Building and International Trade Center  
Washington, D.C.

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11:05 A.M. EDT



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President's Remarks

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THE PRESIDENT: Thank you all. Thanks for the warm welcome. John, thanks for the introduction. Thanks for the invitation to be here for the 16th annual Energy Efficiency Forum. It's an important forum. By advancing the national dialogue on the future of energy, you're helping us support the cause of energy efficiency. And that's critical for our economy and it's critical for the future of this nation.

You see, increasing energy efficiency will help consumers save money. Increasing energy efficiency will leave American businesses with more capital, will make American businesses more competitive. Increasing energy efficiency will help reduce our energy consumption, and to help us achieve a vital national goal, and that is making America less dependent on foreign sources of energy. And that's what I want to talk to you all about today -- a strategy to make us less dependent on foreign sources of energy.



I want to thank John. I want to thank Bob Catell, who is the event host. He's the Chairman of the United States Energy Association. I want to thank Betty Arndt. I want to thank Barry Worthington. Thank you both for setting this event up. I want to thank the Assistant Secretary, David Garman, of the Department of Energy, for being here. I appreciate Pat Wood, the FERC chairman -- where are you Pat? There he is, my fellow Texan. (Applause.) How many children you got now? (Laughter.) Three, one on the way? (Laughter.)

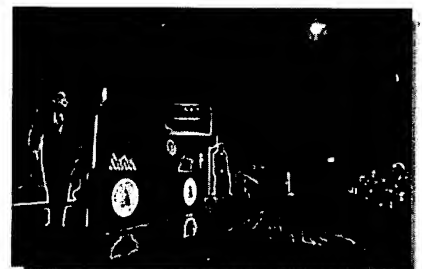
I want to thank your fellow commissioners -- Commissioner Brownell, Commissioner Kelliher, Commissioner Kelly -- for joining you all. Thank you all for coming; thanks for serving; appreciate what you do. (Applause.)

I'm optimistic about this country's future. And Americans have a reason to be optimistic, as well. Over the last two years we have added more than 3.5 million new jobs. More Americans are working today than ever before in our nation's history. Home ownership in America is at an all-time high, and that's good; we want more people owning something in America; we want more small business owners, we want more home owners. I, personally, think it would be good for the country if people had more control over their retirement accounts. (Applause.)

Small businesses are flourishing, factory output is growing, exports are at their highest level ever, families are taking home more of what they earn. Because of our policies, our economy is growing -- and creating more opportunity and increased prosperity for millions of our citizens, and that's good news.

And to build on this success and to keep this economy growing, we need an affordable, reliable supply of energy -- and that starts with pursuing policies to make prices reasonable at the pump. Today, millions of American families and small businesses are hurting because of higher gasoline prices. If you're trying to meet a payroll, or trying to meet a family budget, even small increases at the pump have a big impact on your bottom line. For the sake of American families and American workers, this country must take action now to deal with the causes of rising gasoline prices.

The primary cause of rising gasoline prices is that the global demand for oil is growing faster than global supply. Here in America, we have become too dependent -- too dependent -- on the increasingly limited supply of foreign oil for our own energy needs. For many years, most of the crude oil refined into American -- into gasoline in America came from domestic oil fields. In 1985, 75 percent of the crude oil used in U.S. refineries came from American sources -- and only about 25 percent came from abroad. Today, that equation is nearly reversed. In a relatively quick period of time, only about 35 percent of the crude oil used in U.S. refineries is produced here at home -- think about that -- while about 65 percent comes from foreign countries like Saudi Arabia, Mexico, Venezuela and Canada. To compound the problem, countries with rapidly growing economies, like India and China, are competing for more of the world oil supply and that drives up the global price of oil -- and that makes prices of gasoline



Our dependence on foreign oil is like a foreign tax on the American Dream -- and that tax is growing every year. My administration is

doing all we can to help ease the problem. We're encouraging oil-producing countries to maximize their production, so more crude oil is on the market to meet the demands of the world. And we're going to make sure that consumers here at home are treated fairly -- there's not going to be any price-gouging here in America.

But people got to understand our dependence on foreign oil didn't develop overnight, and it's not going to be fixed overnight. To solve the problem, our nation needs a comprehensive energy policy. (Applause.) That's why one of the first things I did when I came to office four years ago was to develop a new energy strategy for America. And in my first months in office, I sent Congress a plan to put our nation on the path to greater energy independence. For four years, that United States Congress has discussed and debated the plan -- with no result. So earlier this year, I sent a clear message to Congress: Get a good energy bill on my desk before the August recess. Now is the time for them to act.

The House has acted -- and I want to thank the leadership in the House. And the Senate's turn is now up. It's now their time to get something done. And they're beginning the debate on the energy bill this week. And my advice is they ought to keep this in mind: Summer is here, temperatures are rising, and tempers will really rise if Congress doesn't pass an energy bill. (Applause.)

The American people know that an energy bill will not change the price of gas immediately. But they're not going to tolerate inaction in Washington as they watch the underlying problems grow worse. We have a responsibility to confront problems. The American people expect us to act in good faith here in Washington. To address the root causes of high gas prices, we need to take four important steps toward one vital goal -- and that is making America less dependent on foreign sources of oil.

The first step toward making America less dependent on foreign oil is to improve conservation and efficiency. That's why this conference is an important conference, and I want to thank you for holding it. Hybrid vehicles are one of the most promising technologies immediately available to consumers. There are some interesting things taking place in the market place that will help achieve this part, this step of less dependency on foreign sources of oil. Hybrid automobiles are powered by a combination of gasoline and electricity. Some can travel twice as far on a gallon of fuel as gasoline-only vehicles. Hybrids produce lower emissions. To help consumers conserve gas and protect the environment, I propose that every American who purchases a hybrid vehicle receive a tax credit of up to \$4,000. We're trying to encourage people to make right choices in the market place that will make us less dependent on foreign sources of oil and to help improve our environment.

We are also encouraging automakers to produce a new generation of modern, clean-diesel cars and trucks. My administration has issued new rules that will remove more than 90 percent of the sulfur in diesel fuel by 2010. Clean diesel technology will allow consumers to travel much farther on each gallon of fuel -- without the smoke and pollution of past diesel engines. To encourage this promising technology, Congress should extend the tax incentives for the purchase of hybrid vehicles to clean diesel cars and trucks. You see, America leads the world in technology -- and we need to use that technology to lead the world in fuel efficiency.

The second step toward making America less dependent on foreign oil is to produce and refine more crude oil here at home in environmentally-sensitive ways. By far the most promising site for oil in America is the Arctic National Wildlife Refuge in Alaska. Technology now makes it possible to reach the oil reserves in ANWR by drilling on just 2,000 of the 19 million acres. Developing this tiny area could eventually yield up to a million barrels of oil every day -- and that million barrels of oil a day would be -- would make us less dependent on foreign sources of energy. Thanks to technology, we can reach ANWR's oil with almost no impact on the land or local wildlife. To make America less dependent, Congress needs to pass a pro-growth, pro-jobs, pro-environment development of ANWR. It makes sense. It is an important part of a comprehensive strategy.

We also need to improve our ability to refine crude oil into gasoline and other products. Do you realize this? There hasn't been a single new refinery built in America since 1976. To meet our growing demand for gasoline, America now imports about a million barrels of refined gasoline every day. That means about one out of every nine gallons of gas you get at the pump is refined in a foreign country. Not only are we dependent on foreign sources of oil, we're becoming more dependent on foreign sources of gasoline.

To help secure our gasoline supply and lower prices at the pump, we need to encourage existing refineries to expand their capacity. So the Environmental Protection Agency is working to simplify rules and regulations for refinery expansion, and I'm confident we can do so and maintain strict environmental safeguards. We also need to build new refineries. So I've directed federal agencies to work with states to encourage the construction of new refineries on closed military facilities, and to simplify the permitting process for these new refineries. By promoting reasonable regulations, by being wise with policy we can refine more gasoline at home and that will make us less reliant on foreign sources of gasoline.

The third step toward making America less dependent on foreign oil is to develop new alternatives to gasoline and diesel. Two years ago, my administration launched an ambitious program called the Hydrogen Fuel Initiative. We've already dedicated \$1.2 billion over five years to this effort to develop hydrogen-powered fuel cell vehicles. Last month I visited a hydrogen fueling station right here in Washington. I saw cars and vans that run on hydrogen fuel cells instead of gasoline. And these cars and vans emit pure water instead of exhaust fumes. The energy bill will authorize additional funds for this vital initiative. With bold investments now, we can begin to replace a hydrocarbon economy with a hydrogen economy -- and make it possible for our children, today's children to take the driver's test in a completely pollution-free vehicle. (Applause.)

We've got to be aggressive about finding alternative sources of fuel. And one such source is ethanol. Ethanol comes from corn -- and we're pretty good about growing corn here in America, we've got a lot of good corn growers. Therefore, it makes sense to promote ethanol as an alternative to foreign sources of oil. Ethanol can be mixed with gasoline to produce a clean, efficient fuel. In low concentrations, ethanol can be used in any vehicle. And with minor modifications, vehicles can run on a fuel blend that includes about 85 percent ethanol and 15 percent gasoline. Ethanol helps our farmers find a new markets and helps us replace foreign crude oil. I mean, I like the idea of spending money on research to make ethanol more feasible, so that some day an American President says, show me the crop report. (Laughter.) As opposed to, how many barrels of crude oil are we importing?



By the way, we can get the same type of alternative fuel from soybeans. It's called biodiesel. And that's a promising source of energy. I went to a biodiesel refinery in Virginia that is making fuel from soybean oil. Other producers are making biodiesel, by the way, from waste products like recycled cooking grease. Biodiesel can be used in any vehicle that runs on regular diesel. So as you get more clean diesel engines in America, biodiesel becomes an alternative fuel for them. It burns more completely and produces less air pollution than gasoline or regular diesel.

It makes sense for the energy bill to encourage renewable sources of energy that are becoming much more practical and much more economic in today's world. To encourage greater use of ethanol and biodiesel, my administration supports a flexible, cost-effective renewable fuel standard as a part of the energy bill. This proposal would require fuel producers to include a certain percentage of ethanol and biodiesel in their fuel. I proposed \$84 million in the 2006 budget for ongoing research into advanced technologies that can produce ethanol from farms, forests, or even municipal waste dumps. We've got a chance here as we go forward to do something smart, and that is figure out ways to use that which we grow or that which we dispose of to replace foreign sources of oil.

The fourth step toward making America less dependent on foreign oil is to help other nations use technology to reduce their own demand for crude oil and gasoline. Much of the current and projected rise in gasoline prices is due to rising oil consumption in Asia. These are emerging economies that are consuming more natural resources - one of which is oil. As Asian economies grow, their demand for oil is growing -- much faster than the global supply is growing. And that drives up price. It's in our interest to help countries like India and China become more efficient users of hydrocarbons -- that will help take the pressure off global supply, it will take the pressure of gasoline prices here at home.

At the G8 meeting next month, I'll ask other world leaders to join America in helping developing countries find practical ways to use cleaner, more efficient energy technologies. When we lower the global demand for oil, Americans will be better off at the gas pump -- and future generations will breathe cleaner air, too.

As we make America less dependent on foreign oil, we are pursuing a comprehensive strategy to address other energy challenges facing our country. Along with high gas prices, many families and small businesses are confronting rising electricity bills. And summer air conditioning costs are going to make it even more expensive to power homes and office buildings.

To help our consumers save on their power bills, we must continue expanding our efforts to improve conservation and efficiency. The energy bill would extend the Energy Star program. This program encourages the sale and production of energy-efficient products -- like super-efficient refrigerators that use less energy than a 75-watt light bulb. Advances in efficiency are saving American consumers more money. In 2001, the average American family spent about half as much to heat its home as it did in 1978. One day, technologies like solar panels and high-efficiency appliances and advanced insulation could even allow us to build "zero-energy homes" that produce as much energy as they consume.

We must also harness the power of technology to help us deliver electricity more efficiently. For example, the Department of Energy is funding research and development of super-conducting power lines. It's important research because it will enable us to more efficiently move electricity. Really what we need to do is bring our electricity grid into the 21st century. Congress should make reliability standards for electric utilities mandatory -- not optional. We have modern interstate grids for our phone lines and highways. It's time for this country to build a modern electricity grid so we can protect American families and businesses from damaging power outages.

To power our growing economy, we also need to generate more electricity. Electricity comes from three principal sources: coal, natural gas and nuclear power. To ensure that electricity is affordable and reliable, America must improve our use of all three.

Coal is our nation's most abundant energy source, and America is blessed with enough coal to last for the next 250 years. Yet, coal also presents an environmental challenge. So when I ran for President in 2000, I pledged to invest \$2 billion over 10 years for research into clean coal technologies to remove virtually all pollutants from coal-fired power plants. My budget for 2006 brings clean coal funding to \$1.6 billion over five years -- puts us on pace to exceed my pledge. And there's no doubt in my mind we can succeed. There's no doubt in my mind this great country can use technology to be able to burn coal in environmentally friendly ways. (Applause.) Congress needs to pass the Clear Skies Initiative, which is a reasonable -- (applause) -- it's a good piece of legislation. It's sound policy. They need to pass it. And by passing it, not only will we clean the environment, but it will result in tens of billions of dollars in clean coal investments by private companies. America must invest in cle

Improving our electricity supply also means making better use of natural gas. The United States has the sixth largest proven reserves of natural gas in the world. We need to increase environmentally-responsible production of natural gas from our federal lands. And to further increase our natural gas supply, Congress needs to make clear federal authority to choose sites for new receiving terminals for liquefied natural gas.

We need to expand our nation's use of nuclear power. America has not ordered a nuclear power plant since the 1970s. France, by contrast, has built 58 plants in the same period of time -- and today, France gets more than 78 percent of its electricity from safe, low-cost nuclear power. It's time for America to start building again. So I've directed the Department of Energy to work with Congress to help pass legislation that will reduce uncertainty in the nuclear plant licensing process. We're also working with Congress to provide other incentives -- such as federal insurance to protect the builders of the first four new plants against lawsuits, bureaucratic obstacles, and other delays beyond their control. To build a secure energy future for America, we need to expand production of safe, clean nuclear power. (Applause.)

So I appreciate you letting me come by today to talk about a comprehensive strategy, a comprehensive way forward to achieve one overriding goal -- and it's an important goal to achieve. And the goal is to address the root causes of higher energy costs by diversifying our energy supply and reducing our dependence of foreign sources of energy. (Applause.) For the past four years, Americans have been paying the price for delaying a national energy policy. They've been watching their power bills go up. They've

seen blackouts. And they're watching the price of gasoline rise at the pump. The energy bill will help us make better use of the energy supplies we now have and will make our supply of energy more affordable and more secure for the future. To make this promise real tomorrow, we've got to act today. Now is the time. Now is the time to stop the debate and the partisan bickering and pass an energy bill.

I look forward to working with members of the Congress to come up with reasonable compromises on outstanding issues such as MTBE. But for the sake of national security and for the sake of economic security, the Congress needs to pass an energy bill now. (Applause.)

Now is the time to act. Now is the time to put a strategy -- we should have done this 10 to 15 years ago. Now is the time to move. And history shows that American innovation is never in short supply -- that's the good news. We're going to harness our innovative spirit in this new century, and by doing so we will leave our children and grandchildren a cleaner, a healthier, and a more secure America.

May God bless you all. (Applause.)

END 11:32 A.M. EDT

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Office of the Press Secretary  
January 31, 2006

## President Bush Delivers State of the Union Address

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President's Remarks

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9:12 P.M. EST

THE PRESIDENT: Thank you all. Mr. Speaker, Vice President Cheney, members of Congress, members of the Supreme Court and diplomatic corps, distinguished guests, and fellow citizens: Today our nation lost a beloved, graceful, courageous woman who called America to its founding ideals and carried on a noble dream. Tonight we are comforted by the hope of a glad reunion with the husband who was taken so long ago, and we are grateful for the good life of Coretta Scott King. (Applause.)

Every time I'm invited to this rostrum, I'm humbled by the privilege, and mindful of the history we've seen together. We have gathered under this Capitol dome in moments of national mourning and national achievement. We have served America through one of the most consequential periods of our history -- and it has been my honor to serve with you.

In a system of two parties, two chambers, and two elected branches, there will always be differences and debate. But even tough debates can be conducted in a civil tone, and our differences cannot be allowed to harden into anger. To confront the great issues before us, we must act in a spirit of goodwill and respect for one another -- and I will do my part. Tonight the state of our Union is strong -- and together we will make it stronger. (Applause.)



In this decisive year, you and I will make choices that determine both the future and the character of our country. We will choose to act confidently in pursuing the enemies of freedom -- or retreat from our duties in the hope of an easier life. We will choose to build our prosperity by leading the world economy -- or shut ourselves off from trade and opportunity. In a complex and challenging time, the road of isolationism and protectionism may seem broad and inviting -- yet it ends in danger and decline. The only way to protect our people, the only way to secure the peace, the only way to control our destiny is by our leadership -- so the United States of America will continue to lead. (Applause.)

Abroad, our nation is committed to an historic, long-term goal -- we seek the end of tyranny in our world. Some dismiss that goal as misguided idealism. In reality, the future security of America depends on it. On September the 11th, 2001, we found that problems originating in a failed and oppressive state 7,000 miles away could bring murder and destruction to our country. Dictatorships shelter terrorists, and feed resentment and radicalism, and seek weapons of mass destruction. Democracies replace resentment with hope, respect the rights of their citizens and their neighbors, and join the fight against terror. Every step toward freedom in the world makes our country safer -- so we will act boldly in freedom's cause. (Applause.)

Far from being a hopeless dream, the advance of freedom is the great story of our time. In 1945, there were about two dozen lonely democracies in the world. Today, there are 122. And we're writing a new chapter in the story of self-government -- with women lining up to vote in Afghanistan, and millions of Iraqis marking their liberty with purple ink, and men and women from Lebanon to Egypt debating the rights of individuals and the necessity of freedom. At the start of 2006, more than half the people of our world live in democratic nations. And we do not forget the other half -- in places like Syria and Burma, Zimbabwe, North Korea, and Iran -- because the demands of justice, and the peace of this world, require their freedom, as well. (Applause.)

No one can deny the success of freedom, but some men rage and fight against it. And one of the main sources of reaction and opposition is radical Islam -- the perversion by a few of a noble faith into an ideology of terror and death. Terrorists like bin Laden are serious about mass murder -- and all of us must take their declared intentions seriously. They seek to impose a heartless system of totalitarian control throughout the Middle East, and arm themselves with weapons of mass murder.



Their aim is to seize power in Iraq, and use it as a safe haven to launch attacks against America and the world. Lacking the military strength to challenge us directly, the terrorists have chosen the weapon of fear. When they murder children at a school in Beslan, or blow up commuters in London, or behead a bound captive, the terrorists hope these horrors will break our will, allowing the violent to inherit the Earth. But they have miscalculated: We love our freedom, and we will fight to keep it.

(Applause.)

In a time of testing, we cannot find security by abandoning our commitments and retreating within our borders. If we were to leave these vicious attackers alone, they would not leave us alone. They would simply move the battlefield to our own shores. There is no peace in retreat. And there is no honor in retreat. By allowing radical Islam to work its will -- by leaving an assaulted world to fend for itself -- we would signal to all that we no longer believe in our own ideals, or even in our own courage. But our enemies and our friends can be certain: The United States will not retreat from the world, and we will never surrender to evil. (Applause.)

America rejects the false comfort of isolationism. We are the nation that saved liberty in Europe, and liberated death camps, and helped raise up democracies, and faced down an evil empire. Once again, we accept the call of history to deliver the oppressed and move this world toward peace. We remain on the offensive against terror networks. We have killed or captured many of their leaders -- and for the others, their day will come.

We remain on the offensive in Afghanistan, where a fine President and a National Assembly are fighting terror while building the institutions of a new democracy. We're on the offensive in Iraq, with a clear plan for victory. First, we're helping Iraqis build an inclusive government, so that old resentments will be eased and the insurgency will be marginalized.

Second, we're continuing reconstruction efforts, and helping the Iraqi government to fight corruption and build a modern economy, so all Iraqis can experience the benefits of freedom. And, third, we're striking terrorist targets while we train Iraqi forces that are increasingly capable of defeating the enemy. Iraqis are showing their courage every day, and we are proud to be their allies in the cause of freedom. (Applause.)

Our work in Iraq is difficult because our enemy is brutal. But that brutality has not stopped the dramatic progress of a new democracy. In less than three years, the nation has gone from dictatorship to liberation, to sovereignty, to a constitution, to national elections. At the same time, our coalition has been relentless in shutting off terrorist infiltration, clearing out insurgent strongholds, and turning over territory to Iraqi security forces. I am confident in our plan for victory; I am confident in the will of the Iraqi people; I am confident in the skill and spirit of our military. Fellow citizens, we are in this fight to win, and we are winning. (Applause.)

The road of victory is the road that will take our troops home. As we make progress on the ground, and Iraqi forces increasingly take the lead, we should be able to further decrease our troop levels -- but those decisions will be made by our military commanders, not by politicians in Washington, D.C. (Applause.)

Our coalition has learned from our experience in Iraq. We've adjusted our military tactics and changed our approach to reconstruction. Along the way, we have benefitted from responsible criticism and counsel offered by members of Congress of both parties. In the coming year, I will continue to reach out and seek your good advice. Yet, there is a difference between responsible criticism that aims for success, and defeatism that refuses to acknowledge anything but failure. (Applause.) Hindsight alone is not wisdom, and second-guessing is not a strategy. (Applause.)

With so much in the balance, those of us in public office have a duty to speak with candor. A sudden withdrawal of our forces from Iraq would abandon our Iraqi allies to death and prison, would put men like bin Laden and Zarqawi in charge of a strategic country, and show that a pledge from America means little. Members of Congress, however we feel about the decisions and debates of the past, our nation has only one option: We must keep our word, defeat our enemies, and stand behind the American military in this vital mission. (Applause.)

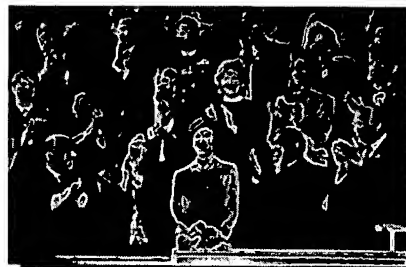
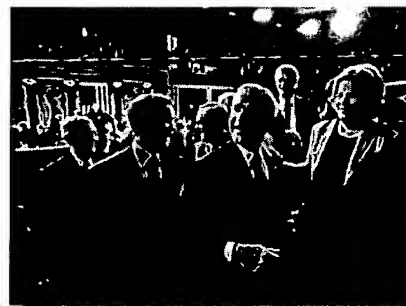
Our men and women in uniform are making sacrifices -- and showing a sense of duty stronger than all fear. They know what it's like to fight house to house in a maze of streets, to wear heavy gear in the desert heat, to see a comrade killed by a roadside bomb. And those who know the costs also know the stakes. Marine Staff Sergeant Dan Clay was killed last month fighting in Fallujah. He left behind a letter to his family, but his words could just as well be addressed to every American. Here is what Dan wrote: "I know what honor is. ... It has been an honor to protect and serve all of you. I faced death with the secure knowledge that you would not have to.... Never falter! Don't hesitate to honor and support those of us who have the honor of protecting that which is worth protecting."

Staff Sergeant Dan Clay's wife, Lisa, and his mom and dad, Sara Jo and Bud, are with us this evening. Welcome. (Applause.)

Our nation is grateful to the fallen, who live in the memory of our country. We're grateful to all who volunteer to wear our nation's uniform -- and as we honor our brave troops, let us never forget the sacrifices of America's military families. (Applause.)

Our offensive against terror involves more than military action. Ultimately, the only way to defeat the terrorists is to defeat their dark vision of hatred and fear by offering the hopeful alternative of political freedom and peaceful change. So the United States of America supports democratic reform across the broader Middle East. Elections are vital, but they are only the beginning. Raising up a democracy requires the rule of law, and protection of minorities, and strong, accountable institutions that last longer than a single vote.

The great people of Egypt have voted in a multi-party presidential election -- and now their government should open paths of peaceful opposition that will reduce the appeal of radicalism. The Palestinian people have voted in elections. And now the leaders of Hamas



must recognize Israel, disarm, reject terrorism, and work for lasting peace. (Applause.) Saudi Arabia has taken the first steps of reform -- now it can offer its people a better future by pressing forward with those efforts. Democracies in the Middle East will not look like our own, because they will reflect the traditions of their own citizens. Yet liberty is the future of every nation in the Middle East, because liberty is the right and hope of all humanity. (Applause.)

The same is true of Iran, a nation now held hostage by a small clerical elite that is isolating and repressing its people. The regime in that country sponsors terrorists in the Palestinian territories and in Lebanon -- and that must come to an end. (Applause.) The Iranian government is defying the world with its nuclear ambitions, and the nations of the world must not permit the Iranian regime to gain nuclear weapons. (Applause.) America will continue to rally the world to confront these threats.

Tonight, let me speak directly to the citizens of Iran: America respects you, and we respect your country. We respect your right to choose your own future and win your own freedom. And our nation hopes one day to be the closest of friends with a free and democratic Iran. (Applause.)

To overcome dangers in our world, we must also take the offensive by encouraging economic progress, and fighting disease, and spreading hope in hopeless lands. Isolationism would not only tie our hands in fighting enemies, it would keep us from helping our friends in desperate need. We show compassion abroad because Americans believe in the God-given dignity and worth of a villager with HIV/AIDS, or an infant with malaria, or a refugee fleeing genocide, or a young girl sold into slavery. We also show compassion abroad because regions overwhelmed by poverty, corruption, and despair are sources of terrorism, and organized crime, and human trafficking, and the drug trade.

In recent years, you and I have taken unprecedented action to fight AIDS and malaria, expand the education of girls, and reward developing nations that are moving forward with economic and political reform. For people everywhere, the United States is a partner for a better life. Short-changing these efforts would increase the suffering and chaos of our world, undercut our long-term security, and dull the conscience of our country. I urge members of Congress to serve the interests of America by showing the compassion of America.

Our country must also remain on the offensive against terrorism here at home. The enemy has not lost the desire or capability to attack us. Fortunately, this nation has superb professionals in law enforcement, intelligence, the military, and homeland security. These men and women are dedicating their lives, protecting us all, and they deserve our support and our thanks. (Applause.) They also deserve the same tools they already use to fight drug trafficking and organized crime -- so I ask you to reauthorize the Patriot Act. (Applause.)

It is said that prior to the attacks of September the 11th, our government failed to connect the dots of the conspiracy. We now know that two of the hijackers in the United States placed telephone calls to al Qaeda operatives overseas. But we did not know about their plans until it was too late. So to prevent another attack -- based on authority given to me by the Constitution and by statute -- I have authorized a terrorist surveillance program to aggressively pursue the international communications of suspected al Qaeda operatives and affiliates to and from America. Previous Presidents have used the same constitutional authority I have, and federal courts have approved the use of that authority. Appropriate members of Congress have been kept informed. The terrorist surveillance program has helped prevent terrorist attacks. It remains essential to the security of America. If there are people inside our country who are talking with al Qaeda, we want to know about it, because we will not sit back and wait to be hit again. (Applause.)

In all these areas -- from the disruption of terror networks, to victory in Iraq, to the spread of freedom and hope in troubled regions -- we need the support of our friends and allies. To draw that support, we must always be clear in our principles and willing to act. The only alternative to American leadership is a dramatically more dangerous and anxious world. Yet we also choose to lead because it is a privilege to serve the values that gave us birth. American leaders -- from Roosevelt to Truman to Kennedy to Reagan -- rejected isolation and retreat, because they knew that America is always more secure when freedom is on the march.

Our own generation is in a long war against a determined enemy -- a war that will be fought by Presidents of both parties, who will need steady bipartisan support from the Congress. And tonight I ask for yours. Together, let us protect our country, support the men and women who defend us, and lead this world toward freedom. (Applause.)

Here at home, America also has a great opportunity: We will build the prosperity of our country by strengthening our economic leadership in the world.

Our economy is healthy and vigorous, and growing faster than other major industrialized nations. In the last two-and-a-half years, America has created 4.6 million new jobs -- more than Japan and the European Union combined. (Applause.) Even in the face of higher energy prices and natural disasters, the American people have turned in an economic performance that is the envy of the world.

The American economy is preeminent, but we cannot afford to be complacent. In a dynamic world economy, we are seeing new competitors, like China and India, and this creates uncertainty, which makes it easier to feed people's fears. So we're seeing some old temptations return. Protectionists want to escape competition, pretending that we can keep our high standard of living while walling off our economy. Others say that the government needs to take a larger role in directing the economy, centralizing more power in Washington and increasing taxes. We hear claims that immigrants are somehow bad for the economy -- even though this economy could not function without them. (Applause.) All these are forms of economic retreat, and they lead in the same direction -- toward a stagnant and second-rate economy.

Tonight I will set out a better path: an agenda for a nation that competes with confidence; an agenda that will raise standards of living and generate new jobs. Americans should not fear our economic future, because we intend to shape it.

Keeping America competitive begins with keeping our economy growing. And our economy grows when Americans have more of their own money to spend, save, and invest. In the last five years, the tax relief you passed has left \$880 billion in the hands of American workers, investors, small businesses, and families -- and they have used it to help produce more than four years of uninterrupted economic growth. (Applause.) Yet the tax relief is set to expire in the next few years. If we do nothing, American families will face a massive tax increase they do not expect and will not welcome. Because America needs more than a temporary expansion, we need more than temporary tax relief. I urge the Congress to act responsibly, and make the tax cuts permanent. (Applause.)

Keeping America competitive requires us to be good stewards of tax dollars. Every year of my presidency, we've reduced the growth of non-security discretionary spending, and last year you passed bills that cut this spending. This year my budget will cut it again, and reduce or eliminate more than 140 programs that are performing poorly or not fulfilling essential priorities. By passing these reforms, we will save the American taxpayer another \$14 billion next year, and stay on track to cut the deficit in half by 2009. (Applause.)

I am pleased that members of Congress are working on earmark reform, because the federal budget has too many special interest projects. (Applause.) And we can tackle this problem together, if you pass the line-item veto. (Applause.)

We must also confront the larger challenge of mandatory spending, or entitlements. This year, the first of about 78 million baby boomers turn 60, including two of my Dad's favorite people -- me and President Clinton. (Laughter.) This milestone is more than a personal crisis -- (laughter) -- it is a national challenge. The retirement of the baby boom generation will put unprecedented strains on the federal government. By 2030, spending for Social Security, Medicare and Medicaid alone will be almost 60 percent of the entire federal budget. And that will present future Congresses with impossible choices -- staggering tax increases, immense deficits, or deep cuts in every category of spending. Congress did not act last year on my proposal to save Social Security -- (applause) -- yet the rising cost of entitlements is a problem that is not going away. (Applause.) And every year we fail to act, the situation gets worse.

So tonight, I ask you to join me in creating a commission to examine the full impact of baby boom retirements on Social Security, Medicare, and Medicaid. This commission should include members of Congress of both parties, and offer bipartisan solutions. We need to put aside partisan politics and work together and get this problem solved. (Applause.)

Keeping America competitive requires us to open more markets for all that Americans make and grow. One out of every five factory jobs in America is related to global trade, and we want people everywhere to buy American. With open markets and a level playing field, no one can out-produce or out-compete the American worker. (Applause.)

Keeping America competitive requires an immigration system that upholds our laws, reflects our values, and serves the interests of our economy. Our nation needs orderly and secure borders. (Applause.) To meet this goal, we must have stronger immigration enforcement and border protection. (Applause.) And we must have a rational, humane guest worker program that rejects amnesty, allows temporary jobs for people who seek them legally, and reduces smuggling and crime at the border. (Applause.)

Keeping America competitive requires affordable health care. (Applause.) Our government has a responsibility to provide health care for the poor and the elderly, and we are meeting that responsibility. (Applause.) For all Americans -- for all Americans, we must confront the rising cost of care, strengthen the doctor-patient relationship, and help people afford the insurance coverage they need. (Applause.)

We will make wider use of electronic records and other health information technology, to help control costs and reduce dangerous medical errors. We will strengthen health savings accounts -- making sure individuals and small business employees can buy insurance with the same advantages that people working for big businesses now get. (Applause.) We will do more to make this coverage portable, so workers can switch jobs without having to worry about losing their health insurance. (Applause.) And because lawsuits are driving many good doctors out of practice -- leaving women in nearly 1,500 American counties without a single OB/GYN -- I ask the Congress to pass medical liability reform this year. (Applause.)

Keeping America competitive requires affordable energy. And here we have a serious problem: America is addicted to oil, which is often imported from unstable parts of the world. The best way to break this addiction is through technology. Since 2001, we have spent nearly \$10 billion to develop cleaner, cheaper, and more reliable alternative energy sources -- and we are on the threshold of incredible advances.

So tonight, I announce the Advanced Energy Initiative -- a 22-percent increase in clean-energy research -- at the Department of Energy, to push for breakthroughs in two vital areas. To change how we power our homes and offices, we will invest more in zero-emission coal-fired plants, revolutionary solar and wind technologies, and clean, safe nuclear energy. (Applause.)

We must also change how we power our automobiles. We will increase our research in better batteries for hybrid and electric cars, and in pollution-free cars that run on hydrogen. We'll also fund additional research in cutting-edge methods of producing ethanol, not just from corn, but from wood chips and stalks, or switch grass. Our goal is to make this new kind of ethanol practical and competitive within six years. (Applause.)

Breakthroughs on this and other new technologies will help us reach another great goal: to replace more than 75 percent of our oil imports from the Middle East by 2025. (Applause.) By applying the talent and technology of America, this country can dramatically improve our environment, move beyond a petroleum-based economy, and make our dependence on Middle Eastern oil a thing of the past. (Applause.)

And to keep America competitive, one commitment is necessary above all: We must continue to lead the world in human talent and creativity. Our greatest advantage in the world has always been our educated, hardworking, ambitious people -- and we're going to keep that edge. Tonight I announce an American Competitiveness Initiative, to encourage innovation throughout our economy, and to

give our nation's children a firm grounding in math and science. (Applause.)

First, I propose to double the federal commitment to the most critical basic research programs in the physical sciences over the next 10 years. This funding will support the work of America's most creative minds as they explore promising areas such as nanotechnology, supercomputing, and alternative energy sources.

Second, I propose to make permanent the research and development tax credit -- (applause) -- to encourage bolder private-sector initiatives in technology. With more research in both the public and private sectors, we will improve our quality of life -- and ensure that America will lead the world in opportunity and innovation for decades to come. (Applause.)

Third, we need to encourage children to take more math and science, and to make sure those courses are rigorous enough to compete with other nations. We've made a good start in the early grades with the No Child Left Behind Act, which is raising standards and lifting test scores across our country. Tonight I propose to train 70,000 high school teachers to lead advanced-placement courses in math and science, bring 30,000 math and science professionals to teach in classrooms, and give early help to students who struggle with math, so they have a better chance at good, high-wage jobs. If we ensure that America's children succeed in life, they will ensure that America succeeds in the world. (Applause.)

Preparing our nation to compete in the world is a goal that all of us can share. I urge you to support the American Competitiveness Initiative, and together we will show the world what the American people can achieve.

America is a great force for freedom and prosperity. Yet our greatness is not measured in power or luxuries, but by who we are and how we treat one another. So we strive to be a compassionate, decent, hopeful society.

In recent years, America has become a more hopeful nation. Violent crime rates have fallen to their lowest levels since the 1970s. Welfare cases have dropped by more than half over the past decade. Drug use among youth is down 19 percent since 2001. There are fewer abortions in America than at any point in the last three decades, and the number of children born to teenage mothers has been falling for a dozen years in a row. (Applause.)

These gains are evidence of a quiet transformation -- a revolution of conscience, in which a rising generation is finding that a life of personal responsibility is a life of fulfillment. Government has played a role. Wise policies, such as welfare reform and drug education and support for abstinence and adoption have made a difference in the character of our country. And everyone here tonight, Democrat and Republican, has a right to be proud of this record. (Applause.)

Yet many Americans, especially parents, still have deep concerns about the direction of our culture, and the health of our most basic institutions. They're concerned about unethical conduct by public officials, and discouraged by activist courts that try to redefine marriage. They worry about children in our society who need direction and love, and about fellow citizens still displaced by natural disaster, and about suffering caused by treatable diseases.

As we look at these challenges, we must never give in to the belief that America is in decline, or that our culture is doomed to unravel. The American people know better than that. We have proven the pessimists wrong before -- and we will do it again. (Applause.)

A hopeful society depends on courts that deliver equal justice under the law. The Supreme Court now has two superb new members -- new members on its bench: Chief Justice John Roberts and Justice Sam Alito. (Applause.) I thank the Senate for confirming both of them. I will continue to nominate men and women who understand that judges must be servants of the law, and not legislate from the bench. (Applause.)

Today marks the official retirement of a very special American. For 24 years of faithful service to our nation, the United States is grateful to Justice Sandra Day O'Connor. (Applause.)

A hopeful society has institutions of science and medicine that do not cut ethical corners, and that recognize the matchless value of every life. Tonight I ask you to pass legislation to prohibit the most egregious abuses of medical research: human cloning in all its forms, creating or implanting embryos for experiments, creating human-animal hybrids, and buying, selling, or patenting human embryos. Human life is a gift from our Creator -- and that gift should never be discarded, devalued or put up for sale. (Applause.)

A hopeful society expects elected officials to uphold the public trust. (Applause.) Honorable people in both parties are working on reforms to strengthen the ethical standards of Washington -- I support your efforts. Each of us has made a pledge to be worthy of public responsibility -- and that is a pledge we must never forget, never dismiss, and never betray. (Applause.)

As we renew the promise of our institutions, let us also show the character of America in our compassion and care for one another.

A hopeful society gives special attention to children who lack direction and love. Through the Helping America's Youth Initiative, we are encouraging caring adults to get involved in the life of a child -- and this good work is being led by our First Lady, Laura Bush. (Applause.) This year we will add resources to encourage young people to stay in school, so more of America's youth can raise their sights and achieve their dreams.

A hopeful society comes to the aid of fellow citizens in times of suffering and emergency -- and stays at it until they're back on their feet. So far the federal government has committed \$85 billion to the people of the Gulf Coast and New Orleans. We're removing debris and repairing highways and rebuilding stronger levees. We're providing business loans and housing assistance. Yet as we meet these immediate needs, we must also address deeper challenges that existed before the storm arrived.

In New Orleans and in other places, many of our fellow citizens have felt excluded from the promise of our country. The answer is not



only temporary relief, but schools that teach every child, and job skills that bring upward mobility, and more opportunities to own a home and start a business. As we recover from a disaster, let us also work for the day when all Americans are protected by justice, equal in hope, and rich in opportunity. (Applause.)

A hopeful society acts boldly to fight diseases like HIV/AIDS, which can be prevented, and treated, and defeated. More than a million Americans live with HIV, and half of all AIDS cases occur among African Americans. I ask Congress to reform and reauthorize the Ryan White Act, and provide new funding to states, so we end the waiting lists for AIDS medicines in America. (Applause.) We will also lead a nationwide effort, working closely with African American churches and faith-based groups, to deliver rapid HIV tests to millions, end the stigma of AIDS, and come closer to the day when there are no new infections in America. (Applause.)

Fellow citizens, we've been called to leadership in a period of consequence. We've entered a great ideological conflict we did nothing to invite. We see great changes in science and commerce that will influence all our lives. Sometimes it can seem that history is turning in a wide arc, toward an unknown shore. Yet the destination of history is determined by human action, and every great movement of history comes to a point of choosing.

Lincoln could have accepted peace at the cost of disunity and continued slavery. Martin Luther King could have stopped at Birmingham or at Selma, and achieved only half a victory over segregation. The United States could have accepted the permanent division of Europe, and been complicit in the oppression of others. Today, having come far in our own historical journey, we must decide: Will we turn back, or finish well?

Before history is written down in books, it is written in courage. Like Americans before us, we will show that courage and we will finish well. We will lead freedom's advance. We will compete and excel in the global economy. We will renew the defining moral commitments of this land. And so we move forward -- optimistic about our country, faithful to its cause, and confident of the victories to come.

May God bless America. (Applause.)

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One Hundred Ninth Congress  
of the  
United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday,  
the fourth day of January, two thousand and five*

An Act

To ensure jobs for our future with secure, affordable, and reliable energy.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Energy Policy Act of 2005”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ENERGY EFFICIENCY

Subtitle A—Federal Programs

- Sec. 101. Energy and water saving measures in congressional buildings.
- Sec. 102. Energy management requirements.
- Sec. 103. Energy use measurement and accountability.
- Sec. 104. Procurement of energy efficient products.
- Sec. 105. Energy savings performance contracts.
- Sec. 106. Voluntary commitments to reduce industrial energy intensity.
- Sec. 107. Advanced Building Efficiency Testbed.
- Sec. 108. Increased use of recovered mineral component in federally funded projects involving procurement of cement or concrete.
- Sec. 109. Federal building performance standards.
- Sec. 110. Daylight savings.
- Sec. 111. Enhancing energy efficiency in management of Federal lands.

Subtitle B—Energy Assistance and State Programs

- Sec. 121. Low-income home energy assistance program.
- Sec. 122. Weatherization assistance.
- Sec. 123. State energy programs.
- Sec. 124. Energy efficient appliance rebate programs.
- Sec. 125. Energy efficient public buildings.
- Sec. 126. Low income community energy efficiency pilot program.
- Sec. 127. State Technologies Advancement Collaborative.
- Sec. 128. State building energy efficiency codes incentives.

Subtitle C—Energy Efficient Products

- Sec. 131. Energy Star program.
- Sec. 132. HVAC maintenance consumer education program.
- Sec. 133. Public energy education program.
- Sec. 134. Energy efficiency public information initiative.
- Sec. 135. Energy conservation standards for additional products.
- Sec. 136. Energy conservation standards for commercial equipment.
- Sec. 137. Energy labeling.
- Sec. 138. Intermittent escalator study.
- Sec. 139. Energy efficient electric and natural gas utilities study.
- Sec. 140. Energy efficiency pilot program.
- Sec. 141. Report on failure to comply with deadlines for new or revised energy conservation standards.

Subtitle D—Public Housing

- Sec. 151. Public housing capital fund.

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- Sec. 152. Energy-efficient appliances.
- Sec. 153. Energy efficiency standards.
- Sec. 154. Energy strategy for HUD.

TITLE II—RENEWABLE ENERGY

Subtitle A—General Provisions

- Sec. 201. Assessment of renewable energy resources.
- Sec. 202. Renewable energy production incentive.
- Sec. 203. Federal purchase requirement.
- Sec. 204. Use of photovoltaic energy in public buildings.
- Sec. 205. Biobased products.
- Sec. 206. Renewable energy security.
- Sec. 207. Installation of photovoltaic system.
- Sec. 208. Sugar cane ethanol program.
- Sec. 209. Rural and remote community electrification grants.
- Sec. 210. Grants to improve the commercial value of forest biomass for electric energy, useful heat, transportation fuels, and other commercial purposes.
- Sec. 211. Sense of Congress regarding generation capacity of electricity from renewable energy resources on public lands.

Subtitle B—Geothermal Energy

- Sec. 221. Short title.
- Sec. 222. Competitive lease sale requirements.
- Sec. 223. Direct use.
- Sec. 224. Royalties and near-term production incentives.
- Sec. 225. Coordination of geothermal leasing and permitting on Federal lands.
- Sec. 226. Assessment of geothermal energy potential.
- Sec. 227. Cooperative or unit plans.
- Sec. 228. Royalty on byproducts.
- Sec. 229. Authorities of Secretary to readjust terms, conditions, rentals, and royalties.
- Sec. 230. Crediting of rental toward royalty.
- Sec. 231. Lease duration and work commitment requirements.
- Sec. 232. Advanced royalties required for cessation of production.
- Sec. 233. Annual rental.
- Sec. 234. Deposit and use of geothermal lease revenues for 5 fiscal years.
- Sec. 235. Acreage limitations.
- Sec. 236. Technical amendments.
- Sec. 237. Intermountain West Geothermal Consortium.

Subtitle C—Hydroelectric

- Sec. 241. Alternative conditions and fishways.
- Sec. 242. Hydroelectric production incentives.
- Sec. 243. Hydroelectric efficiency improvement.
- Sec. 244. Alaska State jurisdiction over small hydroelectric projects.
- Sec. 245. Flint Creek hydroelectric project.
- Sec. 246. Small hydroelectric power projects.

Subtitle D—Insular Energy

- Sec. 251. Insular areas energy security.
- Sec. 252. Projects enhancing insular energy independence.

TITLE III—OIL AND GAS

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- Sec. 301. Permanent authority to operate the Strategic Petroleum Reserve and other energy programs.
- Sec. 302. National Oilheat Research Alliance.
- Sec. 303. Site selection.

Subtitle B—Natural Gas

- Sec. 311. Exportation or importation of natural gas.
- Sec. 312. New natural gas storage facilities.
- Sec. 313. Process coordination; hearings; rules of procedure.
- Sec. 314. Penalties.
- Sec. 315. Market manipulation.
- Sec. 316. Natural gas market transparency rules.
- Sec. 317. Federal-State liquefied natural gas forums.
- Sec. 318. Prohibition of trading and serving by certain individuals.

Subtitle C—Production

- Sec. 321. Outer Continental Shelf provisions.

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- Sec. 322. Hydraulic fracturing.
- Sec. 323. Oil and gas exploration and production defined.

### Subtitle D—Naval Petroleum Reserve

- Sec. 331. Transfer of administrative jurisdiction and environmental remediation, Naval Petroleum Reserve Numbered 2, Kern County, California.
- Sec. 332. Naval Petroleum Reserve Numbered 2 Lease Revenue Account.
- Sec. 333. Land conveyance, portion of Naval Petroleum Reserve Numbered 2, to City of Taft, California.
- Sec. 334. Revocation of land withdrawal.

### Subtitle E—Production Incentives

- Sec. 341. Definition of Secretary.
- Sec. 342. Program on oil and gas royalties in-kind.
- Sec. 343. Marginal property production incentives.
- Sec. 344. Incentives for natural gas production from deep wells in the shallow waters of the Gulf of Mexico.
- Sec. 345. Royalty relief for deep water production.
- Sec. 346. Alaska offshore royalty suspension.
- Sec. 347. Oil and gas leasing in the National Petroleum Reserve in Alaska.
- Sec. 348. North Slope Science Initiative.
- Sec. 349. Orphaned, abandoned, or idled wells on Federal land.
- Sec. 350. Combined hydrocarbon leasing.
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- Sec. 352. Oil and gas lease acreage limitations.
- Sec. 353. Gas hydrate production incentive.
- Sec. 354. Enhanced oil and natural gas production through carbon dioxide injection.
- Sec. 355. Assessment of dependence of State of Hawaii on oil.
- Sec. 356. Denali Commission.
- Sec. 357. Comprehensive inventory of OCS oil and natural gas resources.

### Subtitle F—Access to Federal Lands

- Sec. 361. Federal onshore oil and gas leasing and permitting practices.
- Sec. 362. Management of Federal oil and gas leasing programs.
- Sec. 363. Consultation regarding oil and gas leasing on public land.
- Sec. 364. Estimates of oil and gas resources underlying onshore Federal land.
- Sec. 365. Pilot project to improve Federal permit coordination.
- Sec. 366. Deadline for consideration of applications for permits.
- Sec. 367. Fair market value determinations for linear rights-of-way across public lands and National Forests.
- Sec. 368. Energy right-of-way corridors on Federal land.
- Sec. 369. Oil shale, tar sands, and other strategic unconventional fuels.
- Sec. 370. Finger Lakes withdrawal.
- Sec. 371. Reinstatement of leases.
- Sec. 372. Consultation regarding energy rights-of-way on public land.
- Sec. 373. Sense of Congress regarding development of minerals under Padre Island National Seashore.
- Sec. 374. Livingston Parish mineral rights transfer.

### Subtitle G—Miscellaneous

- Sec. 381. Deadline for decision on appeals of consistency determination under the Coastal Zone Management Act of 1972.
- Sec. 382. Appeals relating to offshore mineral development.
- Sec. 383. Royalty payments under leases under the Outer Continental Shelf Lands Act.
- Sec. 384. Coastal impact assistance program.
- Sec. 385. Study of availability of skilled workers.
- Sec. 386. Great Lakes oil and gas drilling ban.
- Sec. 387. Federal coalbed methane regulation.
- Sec. 388. Alternate energy-related uses on the Outer Continental Shelf.
- Sec. 389. Oil Spill Recovery Institute.
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### Subtitle H—Refinery Revitalization

- Sec. 391. Findings and definitions.
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## TITLE IV—COAL

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- Sec. 402. Project criteria.
- Sec. 403. Report.
- Sec. 404. Clean coal centers of excellence.

### Subtitle B—Clean Power Projects

- Sec. 411. Integrated coal/renewable energy system.
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- Sec. 414. Coal gasification.
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### SEC. 2. DEFINITIONS.

Except as otherwise provided, in this Act:

(1) DEPARTMENT.—The term “Department” means the Department of Energy.

(2) INSTITUTION OF HIGHER EDUCATION.—

(A) IN GENERAL.—The term “institution of higher education” has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(B) INCLUSION.—The term “institution of higher education” includes an organization that—

# Energy Policy Act of 2005

From Wikipedia, the free encyclopedia.



It has been suggested that *Energy Policy Act of 2005 Vote* be merged into this article or section. (Discuss)

The **Energy Policy Act of 2005** (Public Law 109-58) is a statute which was passed by the United States Congress on July 29, 2005 and signed into law on August 8, 2005 at Sandia National Laboratories in Albuquerque, New Mexico. The Act, described by proponents as an attempt to combat growing energy problems, provides tax incentives and loan guarantees for energy production of various types.

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## Provisions

The Act was intended to establish a comprehensive, long-range energy policy. It provides incentives for traditional energy production as well as newer, more efficient energy technologies, and conservation. More than 1,700 pages long, the Act has hundreds of provisions. Major items include:

- Provides a tax credit of up to \$3,400 for owners of hybrid vehicles;
- Authorizes loan guarantees for "innovative technologies" that avoid greenhouse gases, which might include advanced nuclear reactor designs (such as PBMR) as well as clean coal and renewable energy;
- Increases the amount of biofuel (usually ethanol) that must be mixed with gasoline sold in the United States to triple the current requirement (7.5 billion gallons by 2012);
- Seeks to increase coal as an energy source while also reducing air pollution, through authorizing \$200 million annually for clean coal initiatives, repealing the current 160-acre cap on coal leases, allowing the advanced payment of royalties from coal mines and requiring an assessment of coal resources on federal lands that are not national parks;
- Authorizes subsidies for wind energy, and other alternative energy producers;
- Adds ocean energy sources including wave power and tidal power for the first time as separately identified renewable technologies;
- Authorizes \$50 million annually over the life of the bill for a biomass grant program;
- Contains several provisions aimed at making geothermal energy more competitive with fossil fuels in

generating electricity;

- Requires the Department of Energy to study and report on existing natural energy resources including wind, solar, waves and tides;
- Provides tax breaks for those making energy conservation improvements to their homes;
- Provides subsidies for oil companies;
- Extends Daylight Saving Time by approximately four weeks (see below);
- Requires that no drilling for gas or oil may be done in or underneath the Great Lakes;
- Requires that Federal Fleet vehicles capable of operating on alternative fuels be operated on these fuels exclusively (Section 701.)
- Sets federal reliability standards regulating the electrical grid (done in response to the Blackout of 2003);
- Nuclear-specific provisions: [1] ([http://www.nei.org/documents/Energy\\_Bill\\_2005.pdf](http://www.nei.org/documents/Energy_Bill_2005.pdf)) [2] (<http://www.nei.org/index.asp?catnum=3&catid=1351>)
  - Extends the Price-Anderson Nuclear Industries Indemnity Act through 2025;
  - Authorizes cost-overrun support of up to \$2 billion total for up to six new nuclear power plants;
  - Authorizes a production tax credit of up to \$125 million total per year, consistent with renewables;
  - Authorizes \$1.25 billion for the Department of Energy to build a nuclear reactor to generate both electricity and hydrogen;
  - Allows nuclear plant employees and certain contractors to carry firearms;
  - Prohibits the sale, export or transfer of nuclear materials and "sensitive nuclear technology" to any state sponsor of terrorist activities;
  - Updates tax treatment of decommissioning funds;
  - A provision for the Department of Energy to report in one year on how to dispose of high-level nuclear waste;

It should be noted that in Congressional bills an "authorization" of a discretionary program is a permission to spend money, while an "appropriation" is the actual decision to spend money. Thus none of the authorizations above mean anything if the money is never appropriated.

## Provisions in the original bill that were not in the Act

- Limited liability for producers of MTBE
- Drilling for oil in the Arctic National Wildlife Refuge (ANWR)
- Increasing vehicle efficiency standards (CAFE)
- Requiring increased reliance on non-greenhouse gas-emitting energy sources similar to the Kyoto Protocol


## Text of the Act

The full text of the act is available here

([http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109\\_cong\\_bills&docid=f:h6enr.txt.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_bills&docid=f:h6enr.txt.pdf))

## Tax breaks by subject area

- \$4.3 Billion for nuclear power (Detailed 2005 breakdown ([http://www.nei.org/documents/Energy\\_Bill\\_2005.pdf](http://www.nei.org/documents/Energy_Bill_2005.pdf)) - PDF, 29kB)
- \$2.8 billion for fossil fuel production
- \$2.7 billion to extend the renewable electricity production credit
- \$?.? Billion for the Freedom Car initiative (1.7 billion 2003 CATO estimate (<http://www.cato.org/dailys/11-03-03-2.html>) )
- \$1.6 billion in tax incentives for investments in clean coal facilities
- \$1.3 billion for conservation and energy efficiency

- 
- \$1.3 billion for alternative motor vehicles and fuels (ethanol, methane, liquified natural gas, propane)
  - \$?.? Billion for hydrogen research

## Congressional Budget Office (CBO) Cost Estimate

The Congressional Budget Office review of the conference version of the bill estimated the Act will increase direct spending by \$1.6 billion, and reduce revenue by \$12.3 billion between 2006 and 2015. The CBO noted that the bill could have additional effects on discretionary spending, but did not attempt to estimate those effects.

## Change to Daylight Saving Time

The bill amends the Uniform Time Act of 1966 by changing the start and end dates of daylight saving time starting in 2007. Clocks will be set ahead one hour on the second Sunday of March instead of the current first Sunday of April. Clocks will be set back one hour on the first Sunday in November, rather than the last Sunday of October. This will affect accuracy of electronic clocks that had pre-programmed dates for adjusting to daylight saving time. The date for the end of daylight saving time has the effect of increasing evening light on Halloween (October 31). The first Sunday in November sometimes occurs as little as two days before election day.

## Criticisms

*A fellow editor requested that someone provide references or sources for the information in this section.*

- The *Washington Post* contended that the spending bill is really a broad collection of subsidies for United States energy companies; in particular, the nuclear and oil industries [3] (<http://www.washingtonpost.com/wp-dyn/content/article/2005/07/29/AR2005072901128.html>) .
- Texas companies in particular benefit from the bill. This criticism is heightened by the fact that the President, the United States House Majority Leader and the House Energy & Commerce Committee Chairman are all from Texas.
- A *Philadelphia Inquirer* editorial on July 28th, 2005, suggested Congress had a "let's pass it and claim we did something" attitude.
- Even supporters of the bill concede that the bill will do little to lower oil prices immediately, and that any changes the bill has enacted will not happen overnight.
- John McCain denounced the 2003 bill (which was not passed) as the "No Lobbyist Left Behind" Act[4] (<http://www.taxpayer.net/energy/energywatch.htm>) .
- Speaking for the National Republicans for Environmental Protection Association, President Martha Marks said that the organization was disappointed in the bill: it did not give enough of a shot to conservation, and continued to subsidize the well-established oil and gas industries that don't require subsidizing. [5] (<http://www.msnbc.msn.com/id/8870039/page/2/>)
- The bill has had the unintended effect of causing shortages of E85, an ethanol and gasoline blend of fuel, in many parts of the country. Section 701 of the bill requires US Federal fleet flex-fuel vehicles (FFVs) to operate on alternative fuels 100% of the time. Formerly, such FFVs were required to be operated by the end of 2005 on alternative fuels only 51% (i.e., the majority of the time) by Executive Order 13149. (See Executive Order 13149 [6] (<http://ceq.eh.doe.gov/nepa/regs/eos/eo13149.html>) , dated April 21, 2000.) This effectively means that the US Government's use of E85 has been doubled, with the unintended results of limiting public availability of E85 fuel and increasing its price. Although the price of corn has not changed, from which ethanol fuel is derived, the shortage has removed the price incentive to switch to alternative fuel.

- The bill did not include provisions for drilling in the Alaska National Wildlife Refuge (ANWR) even though some policy experts say "access to the abundant oil reserves in ANWR would strengthen America's energy independence without harming the environment. [

<http://www.nationalcenter.org/TSR111005.html>]"

Legislative process

Main articles: *Energy Policy Act of 2005 Vote*, and *[[[*], and *[[[*], and *[[[*], and *[[[*

Stage	House of Representatives	
<b>Initial Debate</b>		
Introduction	April 18, 2005	June 9
Committed	April 18	June 14
Committee Name(s)	Energy and Commerce	
	Education and the Workforce	
	Financial Services	
	Agriculture	
	Resources	
	Science	
Committee Stage	Ways and Means	
	Transportation and Infrastructure	
Committee Report	April 18 to 19	
	April 19	June 14 to 23
Floor Debate	April 19 to 21	Cloture invoked June 23, 92-4 ( <a href="http://www.senate.gov/legislative/LIS/roll_call_">http://www.senate.gov/legislative/LIS/roll_call_</a>
Passage	April 21, 249-183 ( <a href="http://clerk.house.gov/evs/2005/roll132.xml">http://clerk.house.gov/evs/2005/roll132.xml</a> )	June 28, 85-12 ( <a href="http://www.senate.gov/legislative/LIS/roll_call_">http://www.senate.gov/legislative/LIS/roll_call_</a>
<b>Conference Stage</b>		
Conference Demanded/Accepted	July 13	July 1
Conference Meetings		July 14 to 24
Report Filed		July 27
<b>Final Passage</b>		
Final Debate	July 28	July 28 to 29 Budget Act waived, July 29, 71-29 ( <a href="http://www.senate.gov/legislative/LIS/roll_call_">http://www.senate.gov/legislative/LIS/roll_call_</a>
Concurrence and Passage	July 28, 275-156 ( <a href="http://clerk.house.gov/evs/2005/roll445.xml">http://clerk.house.gov/evs/2005/roll445.xml</a> )	July 29, 74-26 ( <a href="http://www.senate.gov/legislative/LIS/roll_call_">http://www.senate.gov/legislative/LIS/roll_call_</a>
Presented to President		August 4
Signed		August 8

See also

- Coal
- Energy crisis
- FutureGen zero-emissions coal-fired power plant
- Hydrogen economy
- Nuclear Power 2010 Program
- Oil depletion
- Oil industry
- Price-Anderson Nuclear Industries Indemnity Act
- Power plant
- Renewable energy

## External links

### Government

- Department of Energy spotlight on the bill (<http://www.energy.gov/taxbreaks.htm>) - listing consumer savings
- Official News release and Allocation Bush / Albuquerque / 2005-08-08 (<http://www.whitehouse.gov/news/releases/2005/08/20050808-6.html>)
- Congressional Budget Office Cost Estimate for the bill conference agreement, July 27, 2005 (<http://www.cbo.gov/showdoc.cfm?index=6581&sequence=0>)
- Congressional Research Service summary (<http://thomas.loc.gov/cgi-bin/bdquery/z?d109:HR00006:@@@D&summ2=m&%7CTOM:/bss/d109query.htm>)

### News

- Christian Science Monitor: How Much New Oil? Not a Lot (<http://www.csmonitor.com/2005/0808/p01s01-uspo.htm>)
- Boston Herald: Editorial (<http://news.bostonherald.com/opinion/view.bg?articleid=95929&format=text>)
- Reuters: brief summary ([http://wireservice.wired.com/wired/story.asp?section=Breaking&storyId=1069020&tw=wn\\_wire\\_story](http://wireservice.wired.com/wired/story.asp?section=Breaking&storyId=1069020&tw=wn_wire_story))
- MSNBC: news story (<http://msnbc.msn.com/id/8866543/>)
- TaxPayer.net: How the Bill Passed (<http://www.taxpayer.net/energy/energywatch.htm>) – a view of the reasons for the bills passage and its costs to taxpayers. *See also:* TaxPayer.net on Subsidies (<http://www.taxpayer.net/energy/>)
- Yahoo! News: bill signing ([http://news.yahoo.com/s/nm/20050808/ts\\_nm/bush\\_energy\\_dc\\_7](http://news.yahoo.com/s/nm/20050808/ts_nm/bush_energy_dc_7))
- CNN: Bush: Energy bill effects will be long-term (<http://www.cnn.com/2005/POLITICS/08/08/bush.ap/index.html>)

Retrieved from "[http://en.wikipedia.org/wiki/Energy\\_Policy\\_Act\\_of\\_2005](http://en.wikipedia.org/wiki/Energy_Policy_Act_of_2005)"

Categories: Articles to be merged | Articles lacking sources | Energy | Electric power | United States federal legislation | 2005 in law

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For Immediate Release  
Office of the Press Secretary  
August 8, 2005

## President Signs Energy Policy Act

Sandia National Laboratory  
Albuquerque, New Mexico

[Fact Sheet](#)

[In Focus: Energy](#)

11:26 A.M. MDT

THE PRESIDENT: Thank you all. Please be seated. Thanks very much for the warm welcome. I appreciate you treating a neighbor from Texas so kindly. (Laughter.) I'm really proud to be here with the men and women of the Sandia National Laboratory. We just had a fascinating tour of the facility. It was a little quick, but I learned a lot, and I want to thank Tom Hunter for his hospitality and his enthusiasm for the projects that go on here, and his praise for the people who work here.

I thank you for coming, and it's such an honor to be here. I know full well that the work you do here keeps our military strong, it keeps our nation competitive, and our country is really grateful for your dedication and for the fact that you lend your expertise into helping Americans.

It is such an honor to be in New Mexico, the home state of Pete Domenici, as well as Jeff Bingaman, to sign this bill. This bill will strengthen our economy and it will improve our environment, and it's going to make this country more secure. The Energy Policy Act of 2005 is going to help every American who drives to work, every family that pays a power bill, and every small business owner hoping to expand.

The bill is the result of years of effort. It is the result of good folks coming together, people who have made a commitment to deliver results for the American people. This bill launches an energy strategy for the 21st century, and I've really been looking forward to signing it. (Applause.)

I appreciate Pete Domenici's leadership on this bill. You know, he's the kind of fellow, when he makes up his mind to do something it's hard to stop him. And as Pete said, he's worked on a lot of energy bills in the past; some of them were signed by Presidents and some of them never made it to the desk. But he's been dogged in his determination to get a bill done, and he found a really find partner in Joe Barton.

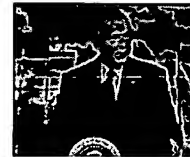
Joe Barton did an outstanding job as the Chairman of the House Energy and Commerce Committee, and he did a really good job as the conference chairman. This bill is here in New Mexico because of the fine work of Joe Barton and Pete Domenici. (Applause.) And as Pete mentioned, Senator Jeff Bingaman gets a lot of credit, as well. (Applause.) He knows the subject matter in the bill, and he's a proven leader on issues such as conservation and efficiency and renewable fuels and research and development. And, Jeff, I, like Pete, I want to congratulate you for a job well done, and thank you for being here -- (applause.)

A member of the House Energy and Commerce Committee came on over -- Ralph Hall, a great Congressman from the state of Texas. Ralph is a good friend. I think he came just to grab a cup of coffee on Air Force One, but -- (laughter) -- I'm proud to have him alongside. Thanks for coming, Ralph, and thanks for your vote. (Applause.)

I appreciate Congressman Steve Pearce, from eastern New Mexico, joining us. He and his wife, Cynthia, are with us. Thanks for coming, Steve. Appreciate your support on this bill. Good work. Thank you. (Applause.) I put a good fellow to run the Energy Department in Sam Bodman. He's smart, he's capable, he's got a lot of experience, he knows what he's doing. He's going to be the right person to help implement this bill. (Applause.) And I want to thank Sam and his wife, Diane, for being here. Thank you all for coming.

I want to remind you about the fact that this economy of ours has been through a lot. And that's why it was important to get this energy bill done, to help us continue to grow. We've been through a stock market decline; we went through a recession; we went through corporate scandals; we had an attack on our homeland; and we had the demands on an ongoing war on terror. And to grow this economy, we worked together to put together an economic growth policy, an economic growth package, the cornerstone of which was to cut the taxes on the American people. And that tax relief plan is working. This economy is strong, and it's growing stronger. And what this energy bill is going to do, it's just going to help keep momentum in the right direction so people can realize their dreams.

Last week we had some good news that America added just over 200,000 jobs -- new jobs -- in the month of July. Since May of 2003,



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we've added nearly 4 million new jobs. More Americans are working today than ever before in our nation's history. (Applause.) Workers are taking more of what they earn -- taking home more of what they earn. Inflation is low, mortgage rates are low. Home ownership in America is at an all-time high. In other words, this economy is moving. And what this energy bill does is it recognizes that we need more affordable and reliable sources of energy in order to make sure the economy continues to grow.

It's an economic bill, but, as Pete mentioned, it's also a national security bill. For more than a decade, America has gone without a national energy policy. It's hard to believe, isn't it? We haven't had a strategy in place. We've had some ideas, but we have not had a national energy policy. And as a result, our consumers are paying more for the price of their gasoline, electricity bills are going up. We had a massive blackout two summers ago that cost this country billions of dollars and disrupted millions of lives. And because we didn't have a national energy strategy over time, with each passing year we are more dependent on foreign sources of oil.

Now, solving these problems required a balanced approach. And that's the spirit that Pete and Jeff and Joe took into the -- on to the floors of their respective bodies. They recognized that we need a comprehensive approach to deal with the situation we're in. In other words, we need to conserve more energy; we need to produce more energy. We need to diversify our energy supply, and we need to modernize our energy delivery. And so they worked hard and listened to a lot of good ideas, and they've taken really important steps.

Now, one of the things that I appreciate about the people on the stage here is that they were able to set aside kind of the partisan bickering that oftentimes -- too many times -- deadlocks Washington, D.C. In other words, they said, let's get something done for the good of the country. And that's an important spirit. That's what the American people expect. I know the people in New Mexico expect people to go up to Washington, D.C. and work together for the common good. And that's exactly what this bill has done.

These members, when they say they're going to strengthen our economy and protect our environment and help our national security, are telling it like it is. And let me tell you why. First, the bill makes an unprecedented commitment to energy conservation and efficiency -- an unprecedented commitment. The bill sets higher efficiency standards for federal buildings and for household products. It directs the Department of Transportation to study the potential for sensible improvements in fuel-efficiency standards for cars and trucks and SUVs. It authorizes new funding for research into cutting-edge technologies that will help us do more with less energy.

The bill recognizes that America is the world's leader in technology, and that we've got to use technology to be the world's leader in energy conservation. The bill includes incentives for consumers to be better conservers of energy. If you own a home, you can receive new tax credits to install energy-efficient windows and appliances. If you're in the market for a car, this bill will help you save up to \$3,500 on a fuel-efficient hybrid or clean-diesel vehicle. And the way the tax credit works is that the more efficient the vehicle is, the more money you will save. Energy conservation is more than a private virtue; it's a public virtue. And with this bill I sign today, America is taking the side of consumers who make the choice to conserve.

Second, this bill will allow America to make cleaner and more productive use of our domestic energy resources, including coal, and nuclear power, and oil and natural gas. By using these reliable sources to supply more of our energy, we'll reduce our reliance on energy from foreign countries, and that will help this economy grow so people can work.

Coal is America's most abundant energy resource. It accounts for more than one-half of our electricity production. The challenge is to develop ways to take advantage of our coal resources while keeping our air clean.

When I ran for President in 2000, I promised to invest -- or asked the Congress to invest \$2 billion over 10 years to promote clean coal technology. So far, working with the United States Congress, we've provided more than \$1.3 billion for research in the innovative ways to improve today's coal plants and to help us build even cleaner coal plants in the future. And the bill I sign today authorizes new funding for clean coal technology so we can move closer to our goal of building the world's first zero emission coal-fired power plant. (Applause.)

Nuclear power is another of America's most important sources of electricity. Of all our nation's energy sources, only nuclear power plants can generate massive amounts of electricity without emitting an ounce of air pollution or greenhouse gases. And thanks to the advances in science and technology, nuclear plants are far safer than ever before. Yet America has not ordered a nuclear plant since the 1970s. To coordinate the ordering of new plants, the bill I sign today continues the Nuclear Power 2010 Partnership between government and industry. It also offers a new form of federal risk insurance for the first six builders of new nuclear power plants. With the practical steps in this bill, America is moving closer to a vital national goal. We will start building nuclear power plants again by the end of this decade. (Applause.)

Meeting the needs of our growing economy also means expanding our domestic production of oil and natural gas, which are vital fuels for transportation and electricity and manufacturing. The energy bill makes practical reforms to the oil and gas permitting process to encourage new exploration in environmentally sensitive ways.

The bill authorizes research into the prospects of unlocking vast amounts of now -- energy now trapped in shale and tar sands. It provides incentives for oil refineries to expand their capacity, and that's consumer-friendly. The more supply, the more reliable your gasoline will be and the more -- less pressure on price.

The bill includes tax incentives to encourage new construction of natural gas pipelines. It clarifies federal authority to site new receiving terminals for liquified natural gas, so that consumers across this nation can benefit from more affordable, clean-burning natural gas.

Thirdly, the bill I sign today will help diversify our energy supply by promoting alternative and renewable energy sources. The bill extends tax credits for wind, biomass, landfill gas and other renewable electricity sources. The bill offers new incentives to promote clean, renewable geothermal energy. It creates a new tax credit for residential solar power systems. And by developing these innovative technologies, we can keep the lights running while protecting the environment and using energy produced right here at

home. When you hear us talking about less dependence on foreign sources of energy, one of the ways to become less dependent is to enhance the use of renewable sources of energy. (Applause.)

The bill also will lead to a greater diversity of fuels for cars and trucks. The bill includes tax incentives for producers of ethanol and biodiesel. The bill includes a flexible, cost-effective renewable fuel standard that will double the amount of ethanol and biodiesel in our fuel supply over the next seven years. Using ethanol and biodiesel will leave our air cleaner. And every time we use a home-grown fuel, particularly these, we're going to be helping our farmers, and at the same time, be less dependent on foreign sources of energy. (Applause.)

I used to like to kid, but I really wasn't kidding when I said, some day a President is going to pick up the crop report -- (laughter) -- and they're going to say we're growing a lot of corn, and -- or soybeans -- and the first thing that's going to pop in the President's mind is, we're less dependent on foreign sources of energy. It makes sense to promote ethanol and biodiesel. (Applause.)

The bill I sign today also includes strong support for hydrogen fuel technology. When hydrogen is used in a fuel cell, it can power consumer products from computers to cell phones to cars that emit pure water instead of exhaust fumes. I laid out a hydrogen fuel initiative, and I want to thank the members of Congress for adding to the momentum of this initiative through this energy bill.

The goal -- the goal of the research and development for hydrogen-powered automobiles is to make it possible for today's children to take their driver's test in a pollution-free car. (Applause.)

Fourth, the energy bill will help ensure that consumers receive electricity over dependable modern infrastructure. The bill removes outdated obstacles to investment in electricity transmission lines in generating facilities. The bill corrects the provision of the law that made electric reliability standards optional instead of mandatory. Most of you probably consider it mandatory that the lights come on when you flip a switch. (Laughter.) Now the utility companies will have to consider it mandatory, as well. (Laughter.)

To keep local disputes from causing national problems, the bill gives federal officials the authority to select sites for new power lines. We have a modern interstate grid for our phone line and our highways. With this bill, America can start building a modern 21st century electricity grid, as well.

The bill I sign today -- (applause) -- the bill I sign today is a critical first step. It's a first step toward a more affordable and reliable energy future for the American citizens. This bill is not going to solve our energy challenges overnight. Most of the serious problems, such as high gasoline costs, or the rising dependence on foreign oil, have developed over decades. It's going to take years of focused effort to alleviate those problems. But in about two minutes, we're going to have a strategy that will help us do that. (Applause.)

And as we work to solve our energy dependence -- dependency, we've got to remember that the market for energy is global and America is not the only large consumer of hydrocarbons. As the economies of nations like India and China grow rapidly, their demand for energy is growing rapidly, as well. It's in our interest to help these expanding energy users become more efficient, less dependent on hydrocarbons. You see, by helping them achieve these goals, it will take pressure off the global supply and it will help take pressure off price for American consumers.

And so, last month, I joined with the leaders of India and China and Australia and Japan and South Korea to create a new Asia Pacific Partnership on Clean Development. This is an innovative program which is authorized by this energy bill. And through it, our goal is to spread the use of clean, efficient energy technologies throughout the Pacific Rim. (Applause.)

After years of debate and division, Congress passed a good bill. It's my honor to have come to the great state of New Mexico to sign it. I'm confident that one day Americans will look back on this bill as a vital step toward a more secure and more prosperous nation that is less dependent on foreign sources of energy.

Thank you for coming. (Applause.)

(The bill is signed.)

END 11:47 A.M. MDT

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**U.S. Department of Energy - Energy Efficiency and Renewable Energy  
Office of EERE**

**Mission**

The EERE mission is to strengthen America's energy security, environmental quality, and economic vitality in public-private partnerships that:

- Enhance energy efficiency and productivity;
- Bring clean, reliable and affordable energy technologies to the marketplace; and
- Make a difference in the everyday lives of Americans by enhancing their energy choices and their quality of life.

**Portfolio Priorities**

**PRIORITY 1:** Dramatically Reduce or Even End Dependence on Foreign Oil.

**PRIORITY 2:** Reduce Burden of Energy Prices on the Disadvantaged.

**PRIORITY 3:** Increase the Viability and Deployment of Renewable Energy Technologies.

**PRIORITY 4:** Increase the Reliability and Efficiency of Electricity Generation, Delivery, and Use.

**PRIORITY 5:** Increase the Efficiency of Buildings and Appliances.

**PRIORITY 6:** Increase the Efficiency/Reduce the Energy Intensity of Industry.

**PRIORITY 7:** Create the New Domestic Bioindustry.

**PRIORITY 8:** Lead by Example through Government's Own Actions.

**PRIORITY 9:** Change the Way EERE Does Business.

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U.S. Department of Energy

Content Last Updated: 07/29/2005

## U.S. Department of Energy - Energy Efficiency and Renewable Energy Biomass Program

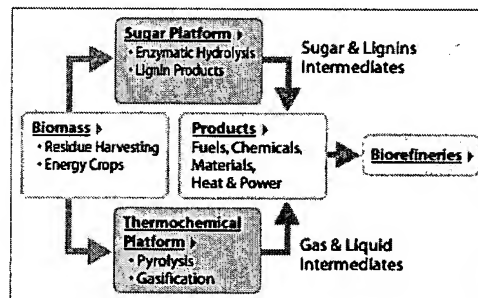
**Biomass Benefits** ›  
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### Quick Links for

- Industry
- Researchers
- Policymakers
- Consumers
- Students

The U.S. Department of Energy (DOE) Biomass Program develops technology for conversion of biomass (plant-derived material) to valuable fuels, chemicals, materials and power, so as to reduce dependence on foreign oil and foster growth of biorefineries. Biomass is one of our most important energy resources. The largest U.S. renewable energy source every year since 2000, it also provides the only renewable alternative for liquid transportation fuel. Biomass use strengthens rural economies, decreases America's dependence on imported oil, avoids use of MTBE or other highly toxic fuel additives, reduces air and water pollution, and reduces greenhouse gas emissions. Today's biomass uses include ethanol, biodiesel, biomass power, and industrial process energy.

Tomorrow, biorefineries will use advanced technology such as hydrolysis of cellulosic biomass to sugars and lignin and thermochemical conversion of biomass to synthesis gas for fermentation and catalysis of these platform chemicals to produce slates of biopolymers and fuels. To expand the role of biomass in America's future, the DOE Office of the Biomass Program fosters biomass technologies with a balanced portfolio of research and development. While there are various other technologies for biomass conversion, the following graphic shows those that the Biomass Program is concentrating on, as outlined in its Multi-Year Program Plan ([PDF 6.7 MB](#)). [Download Adobe Reader](#)



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U.S. Department of Energy

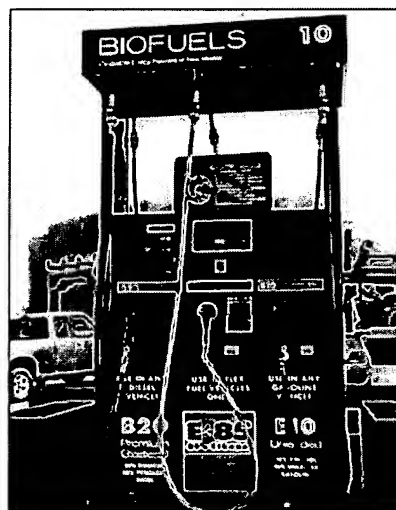
Content Last Updated: 01/24/2006

## U.S. Department of Energy - Energy Efficiency and Renewable Energy Biomass Program

### Biomass Today

In 2003 — and for the fourth year in a row — biomass was the leading source of renewable energy in the United States, providing 2.9 Quadrillion Btu of energy. Biomass was the source for 47% of all renewable energy or 4% of the total energy produced in the United States ([Table 1.2 EIA Monthly Energy Review](#)). [Download Adobe Reader](#) Agriculture and forestry residues, and in particular residues from paper mills, are the most common biomass resources used for [generating electricity](#), and [industrial process heat and steam](#) and for a variety of biobased products. These are the organic byproducts of food, fiber, and forest production. In fact, 48% or 1.1 Quad Btu of biomass energy was consumed by the pulp and paper industry, solely using black liquor. As Table 7 of the [Energy Information Administration's Renewable Energy Annual 2002](#) shows, current biomass consumption in the United States is dominated by industrial use, largely derived from wood. Use of liquid transportation fuels such as [ethanol](#) and [biodiesel](#), however, currently derived primarily from agricultural crops, is increasing dramatically. In 2003 ethanol produced from corn reached 2.81 billion gallons.

Ethanol and biodiesel, made from plant matter instead of petroleum, can be blended with or directly substitute for gasoline and diesel, respectively. Use of biofuels reduces toxic air emissions, greenhouse gas buildup, and dependence on imported oil, while supporting agriculture and rural economies. Unlike gasoline and diesel, biofuels contain oxygen. Adding biofuels to petroleum products allows the fuel to combust more completely and this reduces air pollution. When fossil fuels such as petroleum are burned, they also release carbon dioxide that was captured by plants billions of years ago. This release contributes to the buildup of greenhouse gases that contributes to climate change. On the other hand, carbon dioxide released from burning biofuels is balanced by the carbon dioxide capture by the recent growth of the plant materials from which they are made. Depending on how much fossil energy is used to grow and process the biomass feedstock, this results in substantially reduced net greenhouse gas emissions. [Biobased products](#) that provide equivalents or alternatives to those made from petroleum and natural gas also contribute to oil import and greenhouse gas reduction, while enhancing biorefinery economics.



Prominent biomass uses today include ethanol and biodiesel fuel additives and process heat and power generation with paper mill and forestry residues.

A [State Energy Alternatives](#) Web site jointly sponsored by the DOE Office of Energy Efficiency and the National Conference of State Legislatures is a good source of additional information on current use of both biofuels and biomass power, including state-by-state resource and policy information.

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U.S. Department of Energy

Content Last Updated: 01/20/2006

## **U.S. Department of Energy - Energy Efficiency and Renewable Energy Biomass Program Ethanol**

Ethanol, also known as ethyl alcohol or grain alcohol, can be used either as an alternative fuel or as an octane-boosting, pollution-reducing additive to gasoline. The U.S. ethanol industry produced more than 3.4 billion gallons in 2004, up from 2.8 billion gallons in 2003 and 2.1 billion gallons in 2002. ([Renewable Fuels Association](#) and [Renewable Fuels Association Ethanol Industry Outlook 2005](#)). Although this number is small when compared with fossil fuel consumption for transportation, as individual states continue to ban the use of MTBE (Methyl Tertiary Butyl Ether) and with the possibility of a Federal ban, ethanol consumption is due for a significant boost. Because of the increased demand on ethanol as a gasoline additive, efforts to increase supplies are necessary in order to meet the increase in demand. As of the start of 2005, 81 ethanol plants in 20 states have the capacity to produce nearly 4.4 billion gallons annually and an additional 16 plants are under construction to add another 750 million gallons of capacity (RFA).

There are four basic steps in converting biomass to bioethanol:

1. Producing biomass results in the fixing of atmospheric carbon dioxide into organic carbon.
2. Converting this biomass to a useable fermentation feedstock (typically some form of sugar) can be achieved using a variety of different process technologies. These processes for fermentation feedstock production constitute the critical differences among all of the bioethanol technology options.
3. Fermenting the biomass intermediates using biocatalysts (microorganisms including yeast and bacteria) to produce ethanol in a relatively dilute aqueous solution is probably the oldest form of biotechnology developed by humankind.
4. Processing the fermentation product yields fuel-grade ethanol and byproducts that can be used to produce other fuels, chemicals, heat and/or electricity.

Corn and other starches and sugars are only a small fraction of biomass that can be used to make ethanol. Advanced Bioethanol Technology allows fuel ethanol to be made from cellulosic (plant fiber) biomass, such as agricultural forestry residues, industrial waste, material in municipal solid waste, trees, and grasses. Cellulose and hemicellulose, the two main components of plants and the ones that give plants their structure are also made of sugars, but those sugars are tied together in long chains. Advanced bioethanol technology can break those chains down into their component sugars and then ferment them to make ethanol. This technology turns ordinary low-value plant materials such as corn stalks, sawdust, or waste paper into fuel ethanol. Not quite lead into gold, but maybe more valuable for the U.S. economy, for cutting air pollution, and for reducing dependence on foreign oil. To help improve this technology and ready it for commercial operation, the DOE researchers and their industrial partners use the DOE Bioethanol Pilot Plant ([PDF 355 KB](#)) [Download Adobe Reader](#), a fully integrated biomass-to-ethanol production facility that can turn as much as one ton per day of corn stalks or other plant material into transportation fuels.

### **For Further Reading**

- [State Energy Alternatives Web Site on Biofuels](#)
- [Search the Biomass Document Database.](#)
- Browse [biomass topics](#) in the EERE Energy Information Portal

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U.S. Department of Energy

Content Last Updated: 08/19/2005

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